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## GGP ACQUIRES A 115 BCF GAS PROSPECT

The Board of Golden Gate (ASX Code: GGP) is pleased to announce the execution of a letter of intent to acquire a 25% interest in a new prospect called West Lake Boudreaux in South Louisiana. The new prospect provides more diversity for the 2008 drilling portfolio in GGP's core focus area, the US Gulf Coast. The West Lake Boudreaux prospect will be GGP's fourth high impact well to be drilled this year along with Bowtie West, LGS Deep and Bullseye. This high impact drilling comes at a time when US gas prices are around US\$10 per mcf.

### HIGHLIGHTS

- Gross potential P50 reserves are estimated by GGP at 115 billion cubic feet (BCF) gas equivalent
- Estimated NPV value to GGP in the event of success is 28 cents per share on an unrisks basis
- Multiple structures and sands with four main prospective targets between 12,000-15,000 feet. All targets are known to be productive in the local area
- Well expected to spud in September – Dry hole cost net to GGP is approximately US\$1.3 million
- High flow rate potential in excess of 5-7 million cubic feet per day (“mmcfpd”)
- Prospect considered relatively low risk due to the existence of amplitude-anomaly direct hydrocarbon indicators in productive adjacent analogue fields

This new prospect is an important part of the asset base as it offers a moderately low exploration risk and a high success case rate of return. The initial well is expected to be drilled in September. As a non-operated partner GGP can diversify its activity base and still concentrate its operational activity on other core projects. Drilling operations will be conducted by an experienced operator with a significant paying working interest participation in the project and a successful track record of local exploration and development.

The West Lake Boudreaux prospect offers several attractive target reservoir intervals in the Miocene Tex W interval at depths between 12,000 and 15,000 feet. The initial well should encounter four sets of sandstone reservoirs occurring in three independent trap types, including dip-closure traps against faults and stratigraphic traps. All of the reservoirs and traps that will be investigated in the first well are known to produce gas and oil in adjacent fields (within 2-5 miles), with typical initial gas rates in excess of 5-7 mmcfpd. The development should become self-funding after 3 development wells.

For some of the potential reservoirs, amplitude anomalies in the 3D seismic survey indicate gas-charged reservoirs (confirmed by drilling in adjacent fields), and mapping from the 3D survey allows good delineation of these accumulations.

The West Lake Boudreaux prospect has relatively low risk because of the combination of amplitude-anomaly direct hydrocarbon indicators, production from adjacent analogue reservoirs, and the possibility of multiple stacked gas pays.

## Comments

**Managing Director, Steve Graves commented, "This is an excellent project for our overall portfolio as it provides an opportunity to diversify prospects beyond the current group. It is low risk due to multiple targets in the well that are proven productive in the area.**

**GGP now has an excellent portfolio of high impact exploration wells to be drilled this year, that in the event of success can materially transform the Company. The mixture of high impact exploration wells combined with strong cash flow has been the objective of our Board as this provides the best risk reward scenario. US gas prices have risen by over 50% over the past year and GGP is enjoying a very strong cash flow as it enters its most aggressive drilling campaign in the Company's history with 4 big wells to drill commencing with Bullseye within the next 10 days."**

### *For further information contact:*

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This report has been reviewed and signed off by Mr. Jeff Copley, (BSc Geology & MSc. Geophysics), with over 30 years experience in the oil and gas sector.

Golden Gate is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region of the USA.

### **Forward Looking Statements**

This announcement contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.