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Market Release (*via electronic lodgement*)

FAUSSE POINT UPDATE



The Board of Golden Gate Petroleum Ltd (ASX:GGP) advises that the current phase of testing at the Fausse Point T.G.R. Land Company, Inc. #1 well has been completed. The last zone of interest is currently being monitored for pressure build in determining if further flow testing is in order.

Several other zones of interest have been tested with gas and condensate being produced along with oil indications. The production rates recorded thus far have not been at sufficient commercial quantities to commercialise the well.

Whilst a significant hydrocarbon presence over a 1,500 feet interval had been encountered during drilling, it appears that the well's close proximity to the Fausse Point salt dome may have ultimately restricted the various hydrocarbon intervals and its ability to produce at sustainable rates. In some instances, it is apparent that salt has penetrated the potential hydrocarbon bearing intervals. In other cases, it appears that the gas and condensate zones have been isolated from the main hydrocarbon bearing structures.

Work is continuing on evaluating these test results and the physical data obtained during drilling, prior to the partners in the Fausse Point project determining the next steps. Further announcements will be made when appropriate.

Seismic data is to be reprocessed and planning for an appraisal well which will be further away from the salt dome to a location where reservoir quality is expected to significantly improve. There is potential that the current well bore could be used for a side track which would use both part of the existing well bore and the existing production infrastructure.

There is a clear unquestionable presence of hydrocarbons in the Fausse Point property as evidenced by the numerous influxes of hydrocarbons whilst drilling the T.G.R. #1 well and the production test particularly in the deeper zone. There is also evidence to suggest that these hydrocarbons may be connected to larger hydrocarbon accumulations with the potential for a significant financial outcome. The company intends to understand the complex geology and test this theory in the coming months.

Comments

The challenge for the Fausse Point partners is to fully understand the behaviour and nature of the formations intersected. The partners remain optimistic about the significance of Fausse Point's potential. The T.G.R. # 1 well has provided its challenges; however, it has encountered hydrocarbons over multiple levels which are extremely encouraging. Persisting with the project is expected to eventually yield favourable outcomes.

Partners in the Fausse Point Project are:

Golden Gate Petroleum Ltd (ASX code: GGP)	18.00% WI
Verus Investments Limited (ASX code: VIL)	45.00% WI
Pass Petroleum L.L.C.	27.00% WI
Other Companies	10.00% WI

On behalf of the Board of Directors

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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.

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr Mark Decker, Geologist (BS. Geology), with over 34 years respective relevant experience within oil and gas sector.

This report contains forward looking statements that are subject to risk factors associated with resources 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.