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Market Release (*via electronic lodgement*)

SUCCESSFUL OIL PRODUCTION TEST

Testing Update

The Board of Golden Gate Petroleum Ltd (ASX: GGP) advises that the Richardson #1 Well has perforated the top 10 feet of the primary Vicksburg Sand target interval and has begun flowing oil and gas to surface through a narrow or constrained choke while good pressures are being maintained.

Initial daily production rate has been recorded at 93 barrels per day of high quality 44 gravity oil and approximately 100,000 cubic feet of gas per day through a 7/64 inch choke size with over 2100 psi of surface tubing pressures. The well is also producing some water. These rates have been sustained over the last few days. Initial oil sales have already commenced with the first load trucked to the nearest refinery.

Over the coming days, we are expected to open up the choke to wider settings and measure higher flow rates and at different pressures to determine the optimum production rates. As with any new discovery, caution is being taken during the early period of production..

The Richardson # 1 Well was drilled to a depth of 9,500 feet. The mud log recorded a gas show in the primary Vicksburg Sand target interval covering approximately 26 feet which is slightly larger than original projections. The electric log responses in the Richardson # 1 well were very similar to an adjacent well that reached the Vicksburg Sand and flowed oil and gas to surface but mechanically was not prepared for the unique geo-pressured environment known to be found in the Vicksburg Sand at Silverwood. Some of the sidewall cores contained oil, although the retrieval rate was low due to the nature of the formation. A second logging run was performed and a decision was made to complete and test the well after measuring 18 feet of potential new oil pay.

Comments: Managing Director Steve Graves said: "It is great to have another discovery and bring it into almost immediate commercial production. This discovery follows our success at Napoleonville and adds another producing asset to our expanding portfolio. The initial production volumes at Richardson are good and we are hoping to increase these even further.

Partners in the Silverwood Project are:

Golden Gate Petroleum (ASX Code: GGP) 30.00% WI
Augustus Minerals Limited (ASX Code: AUJ) 40.00% WI
Pass Petroleum LLC 30.00%

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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 the 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.