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Market Release (*via electronic lodgement*)

NAPOLEONVILLE WELL DRILLING UPDATE

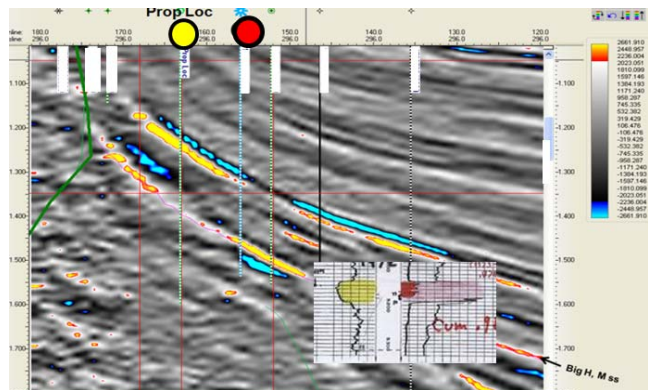
Clifton Lands #1, Operator 15%WI

The Board advises that the Clifton Lands #1 well is presently drilling ahead on the new sidetrack at below 4,100ft.

The sidetrack is estimated to be completed in the next day.

Once the well has reached TD an electric logging operation will commence.

The well is testing a primary objective in the Big Hum sand with 5 BCF classified as a Proved Undeveloped Reserve ("PUD") and targeting further exploration upside objectives in the Tex W of 100,000 barrels oil. If the well is successful initial flow rates are expected to be around the 5,000 MCF per day and 100+ barrels of oil per day.



Partners in the Clifton Lands #1 well are:

Company	WI
Grand Gulf Energy Ltd	46.83%
Golden Gate Petroleum Ltd (operator) *	15.00%
Other Partners	38.17%

* GGP is liable for 23% of dry hole costs of well costs.

On behalf of the Board of Directors

For further information contact:

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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.