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Market Release (*via electronic lodgement*)

GGP ACQUIRES 8,806 ACRE LEASEHOLD IN PERMIAN BASIN, TEXAS

Golden Gate Petroleum (ASX: GGP) is pleased to announce that it has closed on the purchase of the leasehold held by Arturus Capital Ltd (ASX: AKW) through its wholly-owned subsidiary Arturus Energy LLC totalling 8,806 gross acres. The leasehold is located in the prolific hydrocarbon producing Permian Basin in Reagan and Irion County, Texas.

The primary benefits of this leasehold purchase to GGP shareholders include:

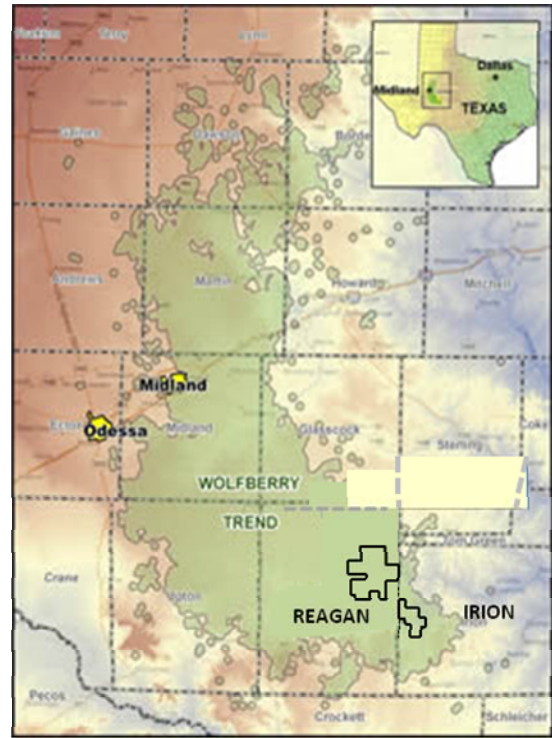
- GGP has acquired a proven, high quality oil and gas development opportunity with over a 100 well potential which provides an estimated 14 million barrels of oil equivalent in potential recoverables. This low risk hydrocarbon producing leasehold is part of the Permian Basin, Texas and is now owned 100% by GGP.
- Based on an earlier reserve report which will need to be updated, there are estimated reserves of over 4.0 million barrels of proven undeveloped oil reserves and over 10.0 billion cubic feet of proven undeveloped gas reserves.
- Development of the newly acquired leasehold is to begin as soon as practical. Newly proven fracture stimulation technologies already providing good economic results in the surrounding areas will be used in each well's completion. Eight wells will initially be permitted.
- Each well is expected to cost approximately \$1.5 million to drill and complete and is estimated to recover over 100,000 barrels of oil equivalent over a 30 year production life. The oil is high quality and includes very rich gas that also contains valuable gas liquids, both providing a premium to WTI and Henry Hub pricing.
- Each well bore is likely to exhibit multi-pay intervals already producing in and around the leasehold position from the world class source rock located along the Wolfberry Trend (Spraberry and Wolfcamp intervals) including 6 primary and secondary oil and gas bearing zones at shallow depths from 4,500 feet to 9,000 feet. Success rates from drilling in the area are over 99%.
- The leasehold offers low risk development wells and will provide a balanced portfolio offsetting GGP's current higher risk exploration projects. Ultimately this new Asset will provide an ideal funding source for continuing high reward exploration plays and reducing the dependence on share equity. Funding of the initial drilling program will come from current cash, production financing and eventually revenues.

- The onshore Permian Basin has a long history of oil and development and has received a renewed interest from both capital providers and industry participants due to development of unconventional onshore resources which the Permian is considered a top ranked proved reserve location. Holding a 100% working interest position provides GGP the opportunity to partner with companies looking onshore for new reserves.



The Permian Basin

- **Wolfberry Trend (Spraberry/Wolfcamp) – Proven play with robust well performance**
- **Active drilling programs surrounding lease position**
- **World class source rock in oil window**



Transaction Details

GGP has purchased the 8,806 acre leasehold position for 196,000,000 listed ordinary fully paid shares (Share Component) in GGP along with a payment of US\$2.2 million. An initial US\$500,000 deposit was paid in 2010 and the remaining balance of US\$1.7 million paid at closing. There is over 2 years remaining on the initial leases which are paid in full through their term.

The Purchase Agreement for the leasehold provides certain protections or indemnities by AKW from legal actions or overriding royalty interests which remain outstanding at closing.

Comments

The Board of Directors of GGP believes the acquisition of such a significant proven reserve and leasehold position under favourable terms will provide the Company with the foundation for the long term development of a low risk oil and gas production program. The project's cash flow will assist with funding our existing exploration program where high rewards and risks need a strong and sustainable funding base. The current portfolio of exploration projects will be well balanced with a low risk cornerstone development program that can significantly help grow the company from internal resources on a long term basis.

Steve Graves
Executive Chairman

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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 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.