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Market Release (*via electronic lodgement*)

FAUSSE POINT UPDATE — STATUS OF NEW SIDE TRACK WELL

The Board of Golden Gate Petroleum Ltd (ASX:GGP) is pleased to provide the following update on the Fausse Point project, which is located onshore Louisiana, approximately 140 km west of New Orleans.

Our partner, Verus Investments Limited (ASX: VIL) is reviewing the option to farm out a portion of their 72.0% working interest in Fausse Point. As the farm out proposals will need to be reviewed, the side track to the TGR # 1 well will be delayed several months. We will advise the market on a new expected date to commence the side track operations as soon as it becomes available.

Both GGP and VIL remain fully committed to the Fausse Point project. The appraisal well planned to be drilled at Fausse Point as a side track to the TGR # 1 well will be targeting a potential 200 acre hydrocarbon accumulation over two primary intervals up dip from the original well. The fault block to be drilled has no previous penetrations of the targeted pay interval and is estimated to contain up to 20 BCF (3.5 mmBOE) of recoverable hydrocarbons on an un-risked basis.

The new well is planned to be drilled as a deviated well from the existing pad to approximately 9,950 ft with the targeted intervals being approximately 920 ft from the TGR # 1 Well. The side track will utilise the existing wellbore and will require approximately 2,300 ft of new wellbore to be drilled at a maximum deviation of 37 degrees. The cost of the side track is approximately \$1.3 million of which \$235,000 is GGP's share.

Seismic data suggests the new targeted interval is a sand shale sequence with multiple sands in an up-thrown fault block that closes against salt with the up-dip part of the trap believed to be below a salt wing where the reservoir sands are "stray" channel sands. At least one of the new targets ties back to a nearby producing well. The pay found in the TGR 1 well proves hydrocarbon charge and sand presence below the unconformity and the salt wing.

A detailed drilling proposal which includes a well drilling cost estimate has been prepared and new drilling permits are being filed. The surface facilities including production equipment and gas pipeline remain in place. Additional leasing to cover the new targeted structure has been arranged.

Partners in the Fausse Point Project are:

Golden Gate Petroleum Ltd (ASX code: GGP)	18.00% WI (Operator)
Verus Investments Limited (ASX code: VIL)	72.00% WI
Other Partners	10.00% WI

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About Golden Gate: Golden Gate is an independent oil and gas exploration and production company listed on the Australian Securities Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region and the Permian Basin 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.