



GOLDEN GATE PETROLEUM LTD



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Market Release (*via electronic lodgement*)

AUD3 Million Placement Agreement

The Board of Golden Gate Petroleum Ltd (ASX: GGP) is pleased to advise that they have entered into an agreement with Novus Capital Ltd to raise on a best endeavours basis AUD 3.0 million. The proceeds will be used to fund the ongoing drilling program in the Permian Basin, Texas, USA.

The terms of the placement are:

Amount: AUD 3.0 million
Equities: 200,000,000 fully paid ordinary shares with two free options for every three new shares acquired. Options issued will be (ASX: GGPO) which have an exercise price of \$0.08 and an expiry date of 30 June 2012.
Issue Price: \$0.015

The Company will be paying Novus a commission of 6% + out of pocket expenses.

Shareholders approved the issue of shares up to AUD 2.5 million at a general meeting on 13 September 2011, the additional AUD 500k will be issued as part of the Company's 15% placing ability.

It is anticipated that this placement will be completed by 1 November 2011 at which time a further announcement will be made.

For further information contact:

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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.