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31 October 2011

Market Release (*via electronic lodgement*)

PERMIAN BASIN PROJECT UPDATE TD REACHED & MULTIPLE OIL/GAS SHOWS REPORTED

Permian Basin, SRH-A #8A well, Reagan County, Texas, Operator, 100% WI

The SRH-A #8A well spudded on 23 October, 2011. The well has reached total depth 9,500 feet on 30 October, 2011 (US Central Standard time) and is preparing to run open hole logs.

The mud logs recorded several oil and gas shows in the primary and secondary intervals of interest. The shows included dull light yellow oil fluorescence and a significant increase in background gas with maximum recordings reaching over 2,700 units which is ten times the level seen in the previous SRH-C #6H well. Significant levels of C1, C2, C3 and C4 gas were reported over several hundred feet from 5,520 feet down to 9,400 feet.

Stephen Graves, Executive Chairman, said; "The preliminary mud log results from GGP's second well in the Permian Project are very encouraging. The significant amount of rich gas which often accompanies recoverable oil suggests we have another above average producer for the area. Logs and eventual production testing will determine which of these two wells out performs the other."

This is the second well of a back to back two well program. The first well, SRH-C #6H was completed on 22 October 2011 and the fracing program, to be undertaken by Haliburton, is expected to commence in mid-November with preparations currently underway.

Work continues on developing a 10 well drilling program which will include our first horizontal well.

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.

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr Micky McGhee, a Geologist, with over 30 years' experience within the oil and gas sector and an extended background in the Permian Basin.

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.