



GOLDEN GATE PETROLEUM LTD



(A B N 3 4 0 9 0 0 7 4 7 8 5)

566 Elizabeth Street,
Melbourne 3000
Victoria Australia

Telephone: +61 3 9349 1488
Facsimile: +61 3 9349 1186

PO Box 12883
A'Beckett Street Post Office
Melbourne 8006
Victoria Australia

Email: investor.relations@ggpl.com.au
Website: www.ggpl.com.au

7 November 2011

Market Release (*via electronic lodgement*)

PERMIAN BASIN PROJECT UPDATE SECOND OIL & GAS DISCOVERY

Golden Gate Petroleum Ltd (ASX: GGP) is pleased to announce a second oil and gas discovery at the SRH-A # 8A well located in Reagan County, Texas. The first discovery was at the SRH-C # 6H well.

The SRH-A # 8A well, the second in a two well program, has been completed to a total depth of 9,500 feet after open hole logs were run. Preliminary log analysis is indicating over 60 feet of conventional oil sand along with more than 1,250 feet of rich oil shales which is the primary target in this shale play.

The SRH-A # 8A well has twice as much kerogen rich shale in the lower intervals than the first well along with extremely high gas shows and mud cuts while drilling. The lower intervals are the primary target for these wells. The gas shows were more numerous than the first well and reached in excess of 3,200 units while drilling or circulating. This well also had a very high oil recovery rate being collected at the surface while circulating, which is unusual for formations requiring stimulation to establish production.

Approximately 65% of the recoverable oil determined by our analysis is coming from the extremely rich Upper Wolfcamp interval. Recent horizontal drilling on trend by EOG and Laredo Petroleum has targeted the Wolfcamp interval. This interval is expected to be the targeted interval for GGP's first horizontal well to be drilled early next year.

The SRH-C # 6H well, the first well in a back to back two well program is being readied for fracture stimulation and testing. Halliburton will be running the fracture stimulation program which is planned to start later this week. The current plan has us stimulating seven intervals, primarily in the lower Wolfcamp sections.

Stephen Graves, Executive Chairman, said; "The preliminary results from GGP's second well in the Permian Project are again very encouraging. It is difficult to tell of the two wells which is the better. The log results along with gas shows and oil recovery from both wells are above initial expectations."

For further information contact:

Chris Ritchie
Financial Controller
Phone +61 3 9349 1488
investor.relations@ggpl.com.au

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 Mickey McGhee, Geologist, with over 30 years of 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.