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Market Release (*via electronic lodgement*)

PERMIAN BASIN PROJECT UPDATE — BEGIN FRACTURE STIMULATION FIRST WELL, FINAL LOG RESULTS FROM SECOND OIL & GAS DISCOVERY

Golden Gate Petroleum Ltd (ASX: GGP) is pleased to provide an update of operational activities in our Permian Basin Project located in Reagan County, Texas.

The first oil and gas discovery at the SRH-C # 6H well is to undergo fracture stimulation this week. Seven intervals in the Wolfcamp formation will be fracture stimulated by Halliburton. The work program is expected to take most of the week.

The second oil and gas discovery at the SRH-A # 8A well is estimated from log interpretations to contain 202,000 of recoverable oil from the sand and shales. This well was completed to a total depth of 9,500 feet with seven pay intervals identified from 5,474 to 9,321 feet. Log analysis counted 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 Kerogen rich shales are showing a large percentage of brittle shales that are excellent frac candidates. Along with the high rich gas shows, the recovery rates per acre foot are expected to be higher than the first well.

Oil attributable to the conventional sand intervals ranges up to 97,000 barrels of oil with 1 to 2% recovery factors on 40 acre drainage area and assuming 40.4 barrels of oil per acre foot. Oil attributable to the shales average 105,000 barrels using only a 1% to 1.5% oil in place recovery in the shales. The estimated shale recovery factor ranges from 1.3 to 2.9 barrels of oil per acre foot.

The SRH-A # 8A well has more 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 account for over 75% of the resource tally. 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.

Fracture stimulation of the second well (SRH-A # 8A) is scheduled in approximately three weeks after the completion of the SRH-C # 6H well.

A new two well drilling program is being put in place to start in December (the third and fourth well in the current 10 well program). A UDI rig has been identified for the drilling program.

Stephen Graves, Executive Chairman, said; "The overall results to date are very encouraging and beyond initial expectations. We anxiously await the initial production rates from these wells to determine the commercial extent of the discovery."

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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 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.