



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

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Market Release *(via electronic lodgement)*

PERMIAN BASIN PROJECT UPDATE

COMMENCE DRILLING AT # 9M WELL.

SUCCESSFULLY COMPLETED HYDRAULIC FRACTURING OF THE # 8A WELL.

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 SRH-A # 9M well commenced drilling operations on Saturday December 10th. The well is currently at 581 feet and is setting surface casing. The well is planned to be drilled to a depth of 9,400 feet and should take around 8 days to complete. Once the 9M well is complete, the rig will be moved to our fourth location and commence drilling. These two wells will then be readied for fracture stimulation in January.

The second oil and gas discovery at the SRH-A # 8A well successfully completed the hydraulic fracturing of the Wolfcamp intervals over the last several days. A service rig will be moved on site within the next few days to drill out the plugs separating each frac interval. The well will then be put on production to return the frac fluids and begin production testing. Expectations for achievable production levels in the second well are as high as the first well based on electric log responses, analysis and oil flowing to surface during the drilling phase.

For further information contact:

Chris Ritchie
Chief Financial Officer
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.