



GOLDEN GATE PETROLEUM LTD



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Market Release (*via electronic lodgement*)

PERMIAN BASIN PROJECT DRILLING UPDATE

Permian Basin, SRH-A #9M well, Reagan County, Texas, Operator, 100% WI

The SRH-A #9M well spudded on 10 December, 2011. The well is presently drilling ahead at 3,311 feet and will be drilled to a depth of 9,400 feet.

Permian Basin, SRH-C #6H well, Reagan County, Texas, Operator, 100% WI

The first well completed has been shut in for a few days to allow for the permanent production facilities to be installed. The Company will advise when production recommences.

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.