



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

3 January 2012

Market Release (*via electronic lodgement*)

JUMONVILLE # 4 COMMENCED DRILLING OPERATIONS

Golden Gate Petroleum Ltd (ASX: GGP) is pleased to advise the market that drilling operations for the Jumonville # 4 well commenced at 22:30 on December 31, 2011. The well is currently at 1,815 feet measured depth and is preparing to set surface casing.

The Jumonville # 4 well will test the 10,100 ft Huth Sand as an offset to the Company's 2009 Jumonville # 2 well. The # 2 well logged 5 ft of net oil pay carrying 20 ohms of resistivity in the 10,100 ft Huth Sand.

There have been 8 wells completed in the Huth Sand averaging 291,000 barrels of oil. Four locations have been identified that may contain additional recoverable oil. The Huth Sands have permeability's in the 250 to 900 md range; porosities of 25 to 30% and is normally pressured with a GOR of 1100 to 1. The prospect trap as covered by 3D is a 4 way closure bounded by a stratigraphic pinch out.

SHALLOW LAUREL RIDGE (HUTH) PROSPECT AT BULLSEYE—JUMONVILLE # 4

The Huth Prospect is comprised of the mineral rights down to 11,000 ft which contains the producing zone at 10,100 ft (the Huth Sand). The Huth Sand has produced over 2.3 million barrels of oil and in excess of 2.5 billion cubic ft of gas.

GGP has the rights to a 21.0% working interest after paying 25% before casing point in the first two wells. Leased acreage covers 910 net acres with a 72.0% net revenue interest. Kindee Oil & Gas, Louisiana (Kindee) will be the operator and will handle the production once a successful well is completed.

Initial daily production rate is estimated at 100 to 200 barrels of oil equivalent (mostly oil). The oil is a high gravity (38 API gravity). Drilling and completion of the initial SLR well is estimated to cost \$ 1.0 million for the dry hole. Completion costs are approximately \$580,000.

GGP's net cost to participate in the initial well thru completion is approximately \$250,000 in net cash after offsets for services provided. It is expected that a successful well will have an estimated payout of less than six months.

The Huth Sands are a combination structure and stratigraphic traps. The Huth interval is above the deeper Camerina, Miogyp and Cib Haz intervals where GGP already has the mineral rights. At Bullseye, leases are depth severed and GGP has not had the mineral rights to these shallower prospects.

Golden Gate Petroleum Ltd (ASX: GGP)
Other Partners

21.0% WI (Operator)
79.0% WI

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 Mark Decker, Geologist (BS. Geology), with over 34 years respective relevant experience within the oil and gas sector.

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.