



GOLDEN GATE PETROLEUM LTD

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Market Release (*via electronic lodgement*)



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PLACEMENT OF 4.7M TO ADVANCE DRILLING PROGRAM

- Successful completion of share placement to raise \$4.7 million
- Strong support from domestic and international investors
- Funds will be dedicated to fund exploration and appraisal programs

Golden Gate Petroleum Ltd is pleased to announce it has agreed to place 16.7m shares at 28 cents each to raise \$4.7m before expenses. This placement was not underwritten. The strong support for the Company shown by investors through this placement is encouraging particularly considering the condition of the financial markets.

This placement provides assurance that the Company has funds together with its current production revenue and debt facilities to move forward with its immediate drilling objectives. In particular these funds will underpin the Bullseye Project.

Bulleye Project--Jumonville #1 Well Update

Oil production from the Jumonville #1 discovery has been continuous, though at severely constrained rates, since the initial perforation and flow test. As of October 7th (Houston time), the well has been flowing for 12 days with total production of approximately 4,500 bbl of 39 deg. API oil with sales at a price of WTI plus US\$2.55/bbl. After initial flow rates of over 500 bbl per day were established during testing, the well was held back to under 400 bbl per day during installation of permanent production equipment and expanded storage. Completion of these facilities with 4,600 bbl of storage capacity is anticipated by the end of this week. The Jumonville #1 well is currently producing 500 bbl per day. The plan is to have the current flow rate increased slowly to allow the reservoir to stabilize, though the rate will be constrained by gas flaring.

The contract for connection to the gas sales line has been executed and construction has begun with completion expected in 3-4 weeks. The Jumonville #1 pad will serve as a central collection facility for the planned development and as a result the flow line will have a design capacity of ~16-20 million cubic feet per day, though initial rates from the current well are not expected to exceed 500,000 cubic feet per day.

The current plan is to develop the discovery with the aim of increasing total production to over 3,000 bbl per day by mid 2009. An existing oil flow line will be used to transfer oil to a distribution facility about 1.7 miles south which is on a major highway and initial construction has begun.

Partners in the Bullseye Project* are:

| | |
|-------------------------------------------|-----------|
| Golden Gate Petroleum Ltd (ASX code: GGP) | 43.33% WI |
| Modena Resources Limited (ASX code: MDA) | 15.00% WI |
| Pantheon Resources PLC | 15.00% WI |
| Eastern Advisors | 20.00% WI |
| Nuenco NL (ASX code: NEO) | 6.67% WI |

* Working Interests are reflected prior to back-in rights of project vendor.

On behalf of the Board of Directors

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Golden Gate is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region of the USA.