



GOLDEN GATE PETROLEUM LTD

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SHARE PURCHASE PLAN

Golden Gate Petroleum Ltd (GGP) are pleased to announce the initiation of a Share Purchase Plan (SPP) at an issue price of 8 cents per share.

Under the SPP, eligible GGP shareholders on the register on 13 February 2009 with a registered address in Australia or New Zealand will have the opportunity to subscribe for up to \$5,000 of additional shares in GGP at 8 cents per share without incurring brokerage or other transaction costs. This represents a 36% discount to the price of ordinary shares in GGP traded on ASX based on the 5 day weighted average. The closing date for receipt of applications for shares pursuant to the SPP will be 27 February 2009. Specific details and terms will be contained in the SPP offer documentation that is expected to be mailed to eligible shareholders shortly after 13 February 2009.

The maximum number of shares to be issued under the SPP is 79 million shares (SPP Limit) to raise up to \$6.32 million. A pro-rata scale back will be applied should the actual number of applications received from eligible shareholders exceed the SPP Limit.

GGP announced a significant discovery at its Bullseye Project in Louisiana and has invested considerable capital in bringing Bullseye into commercial production as well as participating in an ongoing aggressive appraisal program. The capital raised will be used to fund continued appraisal and development of Bullseye which is currently producing around 470 bopd but expected to grow significantly if appraisal drilling proves successful.

This Bullseye appraisal program involved the re-entry, drilling and production testing of an old well at Acosta, as well as the construction of surface facilities to produce, process and sell oil and gas. These facilities include basic processing, pipelines and storage facilities for oil and water.

The Bullseye Project, where GGP has a 41.25% interest, is currently producing around 470 barrels of oil per day from one well – Jumonville #1. The well has produced over 59,000 barrels of oil since start-up, of which GGP's share is around 193 barrels per day. The Jumonville #2 well is currently drilling and has three targets to test – the Camerina, Miogyp and Cib Haz. This is an extremely significant well which is low risk in the updip oil play of Miogyp and Camerina as well as having a very large exploration play in the deeper Cib Haz target. The Bullseye project well has the potential to contain upto 30 million barrels of oil equivalent which makes this a very high impact well for GGP.

Also at Padre Island there are still several large potential gas zones to test in the two La Playa wells which could provide material near term upside and production growth. The biggest potential reservoir remaining on Padre remains untested and could be the least expensive opportunity for GGP has to significant cash flow enhancement. We hope to test this zone early this year.

GGP will also be participating in another large well at Bowtie West later this year which has the potential to contain 65 billion cubic feet of gas and 2.5 million barrels of oil. Despite the dry hole at Bowtie East, GGP

remains optimistic about the prospectivity of Bowtie West as there have been other recent discoveries in the immediate area that have significantly upgraded Bowtie West.

These activities are all exciting and all investors will be offered the opportunity to increase their participation via the SPP.

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.