



# GOLDEN GATE PETROLEUM LTD

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## BULLSEYE PROJECT UPDATE

### Highlights

- Successfully completed and placed on production Jumonville #2.
- Two wells on production now from the Bullseye Project generating significant cashflow.
- Successful conversion of Acosta into a salt water disposal well, providing significant operating cost reductions.
- Commencement of Reserve calculation for Bullseye.
- Project facilities fully operational.
- Further potential in untested hydrocarbon zones.

### **Jumonville #2 Bullseye Prospect, Iberville Parish, Louisiana, Operator 33.25% WI**



As announced on 30 June 2009, Jumonville #2 successfully perforated and commenced production from the Miogyp sandstone with an initial production rate of 750 barrels of oil per day and 250,000 cubic feet of gas. The well is currently producing at 600 bbl oil per day and 350 mcf gas per day.

The Jumonville #2 well was brought into immediate commercial production providing a substantial increase to cash flow. Jumonville oil is high quality 40 gravity oil which under the current sales contract yields a \$2 per barrel premium to West Texas Intermediate (WTI).

Golden Gate is delighted to have successfully drilled and tested this complex well. All of the objective formations were penetrated and the Jumonville #2 well has delivered an excellent commercial result in its prime objective. In addition, the Jumonville #2 well still has another oil zone yet to be tested in the Camerina section which provides further upside across the Bullseye prospect along with the Marg Vag, a new interval which is a highly productive oil zone north of the Bullseye Prospect and has been penetrated in the Jumonville #1 and #2 wells.

Golden Gate has a 33.25% working interest in the Jumonville #2 well and is the operator.



### **Jumonville #1 Bullseye Prospect, Iberville Parish, Louisiana, Operator 33.25% WI**

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The well produced 28,895 bbl of oil and 19,657 mcf of gas for the quarter ending 30 June 2009 and total overall production since initial production has been 110,533 bbl of oil and 41,080 mcf of gas.

### **Acosta #1 Well, Bullseye Prospect, Iberville Parish, Louisiana, Operator 33.25% WI**

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With the normal increase in water production from the water drive Miogyp interval, the Joint Venture elected to convert the Acosta well into a salt water disposal well at a low cost while still retaining the well bore to eventually drill a side track in order to develop one of the new Miogyp locations and or test the Camerina. The financial benefit of injecting produced water is material as current costs of disposing of water is over \$4 per barrel. This disposal well is presently saving the joint venture over US\$200,000 per month in water disposal costs and has substantially reduced operating costs.

Given the current economic benefit of using the Acosta well for water disposal, testing of the Camerina in this well will most likely occur after testing of the Camerina in the Jumonville #1 well. However, there are opportunities in the present market to drill a new very low cost disposal well which may change current plans.

### **Bullseye Prospect Reserve Study**

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Following the drilling and completion of Jumonville #2 the Company has commissioned a Reserve Study to quantify the proven and probable reserves of the Miogyp discovery at the Bullseye prospect. It is anticipated that the study results will be announced in September 2009.

### **Bullseye Prospect Facilities**

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Tank Battery and Flow lines

Following the commencement of oil being produced from Jumonville #1 in late September 2008 the Company commenced construction of production facilities to cater for production of both oil and gas.

The tank battery and surface production facilities consists of four 1,500 bbl tanks, water injection tanks, separators, heater treater, dehydration units along with various flow lines capable of handling the Miogyp development.

The construction of these facilities over a very small period represents a significant achievement and has enabled the Company to continue producing and selling both oil and gas in order to assist with funding the drilling of Jumonville #2.

The current capacity is adequate to cater for 3,000 barrels of oil and 5 million cubic of gas per day.

Included are a selection of photographs displaying the facilities that have been constructed at the project site.



Two and Three Phase separators plus Heater treater for Jumonville # 1



Trucks lined up for Oil Pickup at Bullseye Tank Battery.

Partners in the Project are:

|   |           |
|---|-----------|
| Golden Gate Petroleum Ltd (ASX code: GGP) | 33.25% WI |
| Modena Resources Limited (ASX code: MDA)  | 9.00% WI  |
| Quest Petroleum NL (ASX code: QPN)        | 5.00% WI  |
| Pantheon Resources PLC                    | 11.25% WI |
| Eastern Advisors                          | 12.00% WI |
| IB Daiwa Corporation                      | 8.00% WI  |
| Other partners                            | 21.50% WI |

On behalf of the Board of Directors

**For further information contact:**

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The information in this report has been reviewed and signed off by Mr Steve Barrett, (MSc. Geology), with over 30 years relevant experience within oil and gas sector.

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.