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Market Release (*via electronic lodgement*)

FAUSSE POINT UPDATE

The Board of Golden Gate Petroleum Ltd (ASX:GGP) is pleased to announce that preparations for the drilling of the T.G.R. Land Company, Inc #1 well at Fausse Point continues on schedule. It is currently estimated that the well will spud mid November and will take approximately three weeks to drill.

Site work continues despite seasonal rains causing some site work delays but within planned timelines. A rig has been scheduled and remains available for the spud date. Final rig contracts are expected to be signed early next week.

Kindee Oil and Gas Louisiana, GGP's wholly owned subsidiary has a 20% working interest in Fausse Point and is the operator in this new high impact oil and gas exploration project located onshore in south Louisiana, just a short drive from its Bullseye Project.

Details of the Fausse Point project are summarised below.

Highlights

- The project known as Fausse Point is part of GGP's strategy to invest in low-cost, high impact, known hydrocarbon bearing areas which in the Company's view are moderately low risk in onshore Louisiana or Texas where its knowledge base and operational experience has been established from its other projects.
- The prospect is located on the flank of a producing salt dome where two high quality targets have been identified. The primary target is shallow oil (7,000-8,000 ft) and deeper secondary target is gas (7,500-9,000 ft). Total dry hole cost to drill the initial well is approximately US\$1 million.
- Salt domes in Louisiana have been proven to be highly prospective and prolific producers hence GGP views this as a particularly exciting exploration opportunity. The Fausse Point salt dome has already produced over 44 millions barrels of oil and 141 billion cubic feet of gas.
- The potential oil resource is estimated at 7.4 million barrels of recoverable oil at P50 level and potential gas resource of 24.2 billion cubic feet of gas. With potential upside in the event the anticipated pay zones are larger.
- Potential production rates could exceed 1,500 barrels of oil per day as initial production rates are estimated at 300-500 barrels of oil per day per sand and there are multiple sands. Production could be supported by nearby infrastructure.
- The Fausse Point exploration project adds another high impact exploration opportunity with near term upside to its current planned Bowtie West project. These high impact exploration wells which are relatively low cost provide good upside for GGP when combined with the current strong cashflow from Bullseye.

FAUSSE POINT

Fausse Point is a highly prospective and inexpensive onshore oil and gas exploration prospect which is situated on an undeveloped segment of oil and gas reservoirs flanking the Fausse Point salt dome offering high impact.

The Fausse Point Field was discovered in 1926 and is a piercement salt dome producing from the Miocene and Oligocene age sands. The Fausse Point salt dome surrounding fields have produced to date over 44 millions barrels of oil, 2 million barrels of condensate and 141 billion cubic ft of gas.

The prospect area has almost 280 acres under lease with both oil and gas targets at less than 9,000 feet. The targets are in a trap that is a pinch out of reservoirs onto the flank of the salt dome which is typically an effective trap-seal combination. Target reservoirs are Lower Miocene sandstones with good porosity and permeability, with the total thickness experienced in nearby wells of up to 150 ft in shallower oil interval and up to 120 ft in slightly deeper gas interval.

Good potential oil rates of 300 to 500 barrels of oil per day per sand is typical. With multiple sands per well, the possible production rates could be up to 1,500 barrels of oil per day. The exploration well and subsequent development wells would be relatively inexpensive (less than 9,000 ft).

Partners in the Project are:

Golden Gate Petroleum Ltd (ASX code: GGP)	20.00% WI
Verus Investments Limited (ASX code: VIL)	50.00% WI
Pass Petroleum L.L.C.	30.00% WI

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.

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.