



GOLDEN GATE PETROLEUM LTD

(A B N 3 4 0 9 0 0 7 4 7 8 5)

Level 21, Allendale Square
77 St Georges Terrace
Perth WA 6000
Australia

Telephone: +61 8 9324 1177
Facsimile: +61 8 9324 2171

8 January 2010

Market Release *(via electronic lodgement)*



PO Box Z5184
Perth WA
Australia 6831

Email: admin@ggpl.com.au
Website: www.ggpl.com.au

FAUSSE POINT THIRD GAS SHOW

The Board of Golden Gate Petroleum Ltd (ASX:GGP) is pleased to advise the T.G.R. Land Company, Inc #1 well at Fausse Point is presently at a depth of 8,450 ft and drilling ahead.

The well has recorded its third significant gas interval starting at 8,175 ft and continuing through 8,400 ft. This appears to be our largest gas interval and is believed to be our primary objective.

Mudlogging has reported good quality sandstone with hydrocarbon fluorescence in many of the sampled cuttings and in the drilling mud. The sampled and tested drilling mud contained up to 2% oil. There have been occurrences of up to 5,000 unit gas shows in this interval, although most of the gas indicators are likely suppressed due to the heavy drilling mud.

The well spudded on Saturday 5 December 2009. The well is expected to take up to another 1 to 2 days to reach its targeted depth and run electric logs over the recently drilled open hole.

The first gas show recorded and logged at 7,000 ft is now safely behind 7 inch casing set at 7,671 feet. The second gas show was recorded and logged at 8,010 ft.

Comments

While this third gas show is again very encouraging, the significance cannot be determined until a full electric logging operation is completed over the interval once the well reaches targeted depth, and if warranted, a production testing operation is conducted.

Partners in the Fausse Point 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

Details of the Fausse Point project are summarised on the next page.

On behalf of the Board of Directors

For further information contact:

Steve Graves
Managing Director
Phone +1 805 469 4656

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.

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 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.

Fausse Point Highlights

- 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 first target is shallow oil (7,000-8,000 ft) and the deeper target is gas (7,500-9,000 ft). Total dry hole cost to drill the initial well is approximately US\$1.5 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.
- The Fausse Point exploration project provides a 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 cash flow from Bullseye.