



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

PO Box Z5184
Perth WA
Australia 6831

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

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Market Release (*via electronic lodgement*)

FAUSSE POINT WELL UPDATE

The Board of Golden Gate Petroleum Ltd (ASX:GGP) advises that the T.G.R. Land Company, Inc #1 well at Fausse Point has recommenced testing the initial zone of interest in the lowest of three identified hydrocarbon formations. Initial clean up and production testing of this first zone of interest has resulted in good initial flow rates of gas and condensate. Initial flow rates up to 1.8 million cubic feet of gas per day and 56 barrels of condensate per day at a 6/64 choke have been recorded. The drawdown and buildup process of testing the interval at various flow rates and pressures continues in determining the commercial significance of the interval. This testing process is expected to take a few more days in order to fully test the interval. So far, the initial results have not provided a definitive result.

The Fausse Point well has encountered three distinct gas and oil formations starting at 7,000 ft. There have been several zones of interest across all three major formations with indications of hydrocarbons. The lowest formation includes several zones of interest including the zone just perforated that indicated good permeability, porosity with oil/condensate recovered in the sample cores and has now flowed hydrocarbons to surface.

Comments

It is very important to do a thorough review in the initial testing of this first zone of interest prior to committing to the cost of installing surface facilities and a gas pipeline. The standard testing sequence takes several days and it is important to be very thorough in this phase of testing. Extended production testing operations will be conducted throughout this coming week. If the first zone just tested confirms a commercial result, testing will cease and preparations will begin to bring the well onto production.

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 well cost to complete the initial well is approximately US\$2.6 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.