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Market Release (*via electronic lodgement*)

OPERATIONS UPDATE

The Board of Golden Gate Petroleum Ltd (ASX: GGP) is pleased to provide the following operations update on all active projects.

PROJECT OPERATIONS

Silverwood—Richardson # 1 Well, Jefferson Davis Parish, Louisiana, Operator 30.00% WI

The timing to drill has been revised forward and is now scheduled to commence drilling operations around mid June 2010. The Richardson # 1 well is anticipated to take 19 days to drill. Site preparations are expected to begin in the coming week, permitting is under way and a rig contract is being prepared with Crown Drilling.

Fausse Point—TGR Land Company # 1 Well, Iberia Parish, Louisiana, Operator 20.00% WI

The permanent production site and road have been completed. Production facilities have been installed and the gas pipeline from the production site to the nearby tie-in point is expected to commence construction next week. Gas production and sales are planned to commence in early June.

Additional seismic data is being acquired and will be reprocessed over the coming months to better define the discovery and assist with planning an appraisal well within the next 4 to 6 months.

Bowtie West—Sugar Valley # 1 Well, Matagorda County, Texas, Partner 18% WI

Site preparations for drilling the Sugar Valley # 1 well have commenced after delays due mainly to extreme wet weather conditions. A rig has been contracted and is expected to commence drilling in mid June once its current work is completed. All other preparations including land and permitting are in the final phases.

Napoleonville-- Dugas & Leblanc #1 Well, Assumption Parish, Louisiana, Partner 15% WI

Location building operations began on 5 May and should be close to completion. Permits are in place. The rig is contracted and the Dugas & Leblanc # 1 well is the next well on its drilling schedule. Current plan has the rig moving on site by the last week in May which is close to the original planned schedule announced earlier.

Engineering work has begun on the drilling of the second of three wells announced earlier.

Jumonville #1 & #2 Bullseye Prospect, Iberville Parish, Louisiana, Operator 42.50% WI

The Jumonville # 1 and # 2 are on production. The two wells have so far produced over 300,000 bbls of oil equivalent. Current stable production rates are running at a combined total of approximately 290 bbls a day of oil and 200 mcf of gas per day.

Testing of the Camerina interval in the Jumonville # 1 have been postponed due to sustained improvement in the well's production levels from the Miogyp which are averaging 65 bbl per day plus gas. We continue to monitor the well and reservoir performance. Once the current interval becomes uneconomic, we will move up the hole and test the Camerina.

Operational costs have been lowered significantly with revised disposal well (Acosta # 1 well) procedures allowing water disposal to vary according to production requirements which needs less chemical injections.

Seismic interpretational work has identified the next drilling location for the further development of the Miogyp interval. A well plan has been prepared and work continues on addressing surface placement and required permitting. At this time, no date has been set for proposing the next well.

On behalf of the Board of Directors

For further information contact:

Steve Graves
Managing Director

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.