



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

20 May 2010

Market Release (*via electronic lodgement*)



PO Box Z5184
Perth WA
Australia 6831

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

GOLDEN GATE TERMINATES NEGOTIATIONS WITH PASS

Further to the announcement dated 3 May 2010, Golden Gate Petroleum (ASX: GGP) advises that a definitive agreement could not be reached with Pass Petroleum Pty Ltd (**PPL**) and the merger will not proceed.

GGP had entered into a Letter of Intent (**LOI**) with PPL regarding an initial conditional, indicative proposal to acquire all of the ordinary shares in PPL. The transaction was a share for share deal. GGP was to issue 500 million ordinary shares for all the outstanding shares in PPL.

The proposal was subject to a number of conditions, including conditions relating to final commercial terms, due diligence, regulatory approvals, and other terms common in a proposal of this nature. Under the LOI, A definitive agreement was required to have been completed by 15 May 2010.

The Directors of GGP are confident of GGP's business and growth prospects from its current asset base in the Gulf Coast, USA and believe this strategy will continue to maximise shareholder value.

For further information contact:

Sam Russotti
Chairman

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.