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Market Release (*via electronic lodgement*)

SILVERWOOD PROSPECT—DRILLING TO COMMENCE WITHIN TWO WEEKS

The Board of Golden Gate Petroleum Ltd (ASX: GGP) advises that the Richardson #1 well at the Silverwood oil and gas prospect is expected to commence drilling operations within two weeks. Site preparations are being finalized and the rig contractor expects the rig to be released from its current nearby assignment and start the move to the Richardson #1 well drillsite within the next week. The rig will then be readied to commence drilling operations.

Comments

The Silverwood exploration project adds another high impact exploration opportunity with near term upside to the current Fausse Point, Napoleonville and Bowtie West projects. These high impact exploration wells which are relatively low cost provide good upside for GGP when combined with the current cash flow from Bullseye.

Please see Appendix 1 below on the Silverwood Prospect.

Partners in the Silverwood Project are:

Augustus Minerals Limited (ASX Code: AUJ)	40.00% WI
Golden Gate Petroleum (ASX Code: GGP)	30.00% WI
Pass Petroleum LLC	30.00% WI

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), who has over 34 years respective relevant experience within the 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.

Appendix 1

SILVERWOOD PROSPECT

Silverwood is a highly prospective and inexpensive onshore oil and gas exploration prospect which is situated under a developed oil and gas field discovered in the early 1950s. The field produced 7.3 Billion cubic feet of gas and over 800,000 barrels of oil from two shallower Lower Frio sands at a depth of 7,900 ft and 8,600 ft.

The Upper Vicksburg Age sand is found to produce in four nearby fields. Mapping of these nearby fields reveals an elongated island complex over 30 miles in length containing sandstone to be porous and permeable.

Three wells have been drilled to test the Vicksburg Sand after the field was fully developed from the shallower Frio sands. In 1982, the first well drilled into the Vicksburg sand began flowing oil and gas to surface uncontrollably due to a hole in the surface casing and had to be abandoned. A follow on well unknowingly drilled in a location of a tight inlet channel that crosses through the structure and was determined to be unproductive. In 2008, a third well drilled to the Vicksburg experienced a controlled blowout with significant oil and gas coming to surface due to the unexpected high formation pressure. This third well was not designed for the high formation pressures and eventually was abandoned.

The drilling to date into the Vicksburg Sand demonstrates the presence of a hydrocarbon trap, an efficient seal and the presence of quality reservoir rock with movable hydrocarbons. In addition, analog fields in the area show the Vicksburg Sand to be a commercial reservoir especially at current oil prices. The Company's geologists have also reviewed the 2D seismic presently available.

Drilling a fourth well into the Vicksburg Sand requires setting intermediate casing prior to reaching the target interval. The additional casing string and heavier weight drilling fluids are expected to control the formation's high geo pressure environment. GGP's experience in successfully drilling over pressured intervals at Bullseye and Fausse Point will be beneficial in designing and operating the Silverwood prospect. A well plan has been prepared in conjunction with consultants' expert in successfully dealing with similar geo pressured environments.

There is also a deeper target known as the Cockfield Formation (Eocene – Yegua) which is a known major producer in many fields within the area. The Cockfield is estimated to be a little over 2,000 ft deeper than the Vicksburg Sands in the Silverwood area. The trapping fault at Silverwood show considerable growth and expansion during Cockfield deposition which should provide large sand deposits. No wells have been drilled into the Cockfield Formation at Silverwood. If a discovery is made in the primary Upper Vicksburg sand then this well will be completed in this section and the deeper formation will become the subject of future exploration efforts.