



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

23 August 2010

Market Release (*via electronic lodgement*)



PO Box Z5184
Perth WA
Australia 6831

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

NAPOLEONVILLE SALT DOME—WELL CONTROL UPDATE

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

Further to previous announcements Golden Gate provides an update of the well control operations being carried out by Mantle Oil & Gas LLC as Operator of the Dugas & Leblanc #1 well.

The Operator, Cudd Well Control and Louisiana Authorities are preparing the Dugas & Leblanc #1 well site and a relief well site for the following dual operations to control the well:

1. Attempts are continuing to topkill the Dugas & Leblanc # 1 well. Commencing this weekend, the well will be prepared so that a new BOP with diverter can be attached to the existing casing to enable kill fluids to be pumped into the well during next week.
2. The planning for the relief well has been completed and 100% rig up was completed over the weekend. It is anticipated that this well will intercept the original well bore and commence kill operations. Completion of the relief well could require up to 2 weeks.

Should attempts to topkill the Dugas & Leblanc # 1 be successful the relief well will be used as a production well. If the topkill process is unsuccessful the relief well may be sidetracked and possibly be used as a production well.

Efforts to ignite the well have not been successful because the fluid being produced is now mostly water. This is consistent with, but not confirmation of, the source of the blowout being the lowermost pay sand in the well which contained 28 ft of gas pay over a water column.

The operations at the wellsite are under the control of the Louisiana State Troopers and Cudd Well Control who are working in close cooperation with the well Operator (Mantle). Mantle is in constant communications with the local authorities and lease holders ensuring all vested parties are kept informed on the status of the operation.

GGP's management believes that all efforts are being made towards bringing successful control of the well in a safe and efficient manner. The Operator has well control insurance in place and this is supplemented by GGP's own well control and general liability insurance which is in access of the Operator's current estimate of costs associated with the actions at hand.

Costs are being monitored on a daily basis. The final costs of the operations are unknown at this point. Golden Gate will continue to keep its shareholders and the market informed as the situation develops.

Additionally a class action has been filed against the Operator of the Dugas & Leblanc #1 well for damages by certain residents of the area. Golden Gate will report on the progress of this action as it develops and to any liability that Golden Gate may face, if any, as a joint venture partner in the Dugas & Leblanc #1 well.

Partners in the Dugas & Leblanc Wells are:

Mantle Oil & Gas LLC (Operator)	4.09% WI
Grand Gulf Energy Ltd (ASX: GGE)	39.50% WI
Golden Gate Petroleum Ltd (ASX: GGP)	15.00% WI
Other partners	41.41% WI

On behalf of the Board of Directors

For further information contact:

Chris Ritchie
Financial Controller
Phone: 61 3 9349 1488

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.