

VALDERA RESOURCES

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Australian Stock Exchange Limited
Company Announcements
20 Bridge Street
Sydney NSW 2000

Via electronic lodgement

MERGER WITH GOLDEN GATE RESOURCES LIMITED

Valdera is pleased to announce that it has entered into an agreement with Golden Gate Resources Limited, a company listed on the TSX Venture Exchange (Code: GGS), to effect a merger pursuant to which Golden Gate will become a wholly owned subsidiary of Valdera.

Following the completion of the merger, Valdera will be a focussed petroleum exploration and production company with a portfolio of Gulf of Mexico exploration acreage containing world class prospects. Valdera will remain listed on the ASX and Golden Gate will de-list from the TSX Venture Exchange.

Golden Gate Resources Limited

Golden Gate is an oil and gas company incorporated in Canada. The principal asset of Golden Gate, and the reason for the merger, is a 10% participating interest in the Padre Island Joint Venture. Padre Island, located in Texas on the Gulf of Mexico coastline, is a proven hydrocarbon producing area. The JV consists of operator, BNP Petroleum, a private Texas corporation (30%), Novus Petroleum, an ASX listed company (40%), Mitsui Oil, a subsidiary of the giant Mitsui Corporation (20%), and Golden Gate (10%).

Padre Island Joint Venture

The Padre Island Joint Venture has acquired 142 drilling leases to date, covering an area of 25,000 hectares (equivalent to approximately 55 offshore blocks) along Padre Island, through 3 phases of acquisition activity, with an option to acquire a further 12,000 hectares (see the map in attachment 4). These drilling leases are located within a JV project area that is 130 kilometres long by 10 km wide. The JV has acquired and is interpreting 124,000 hectares of 3D seismic data within the project area.

Golden Gate has spent over A\$10 million in acquiring and participating in its 10% JV interest. A premium of 3.33% remains payable by Golden Gate on the drilling costs of the next 7 exploration wells (but not completion costs or appraisal and development wells), i.e. 13.33% of drilling expenditure for a 10% participating interest.

The Joint Venture's neighbours around Padre Island include industry majors Exxon/Mobil, Shell, Woodside, El Paso, Houston Oil, Santos and Spinnaker Oil.

3D Seismic

The Joint Venture's principal target is new, previously unexplored prospects within the project area with the potential for significant additional reserves and early cash flow. The new 3D seismic data invariably images the reservoir section much better than when the fields were first exploited. Experience elsewhere in Texas indicates that modern technology, such as 3D seismic, directional drilling and stratigraphic techniques, can substantially increase the original reserves of undrilled fault blocks, attic gas and other previously unrecognised development prospects.

The project area has historically produced 1.7 tcf (cumulative) of gas from the development of more than 21 fields. The gas is connected into the gas grid of Southern Texas through a working gas-gathering pipeline system on Padre Island, which is accessible throughout the project area. The pipeline system is a common carrier available to all gas producers and has significant unused capacity.

US Gas Producer Benefits

Gas producers in the US enjoy high prices (currently around US\$6 per mcf), modest corporate tax rates, wide-ranging exploration allowances and comparatively low drilling and other onshore services costs. Onshore completion and production costs, at locations like Padre Island, are substantially lower than offshore. In addition, discoveries can usually be brought on line quickly.

The United States is the biggest gas market in the world, larger than the next eight biggest gas consuming nations combined. Consumption in the US is forecast to increase to over 30tcf pa by 2015, equivalent to over 1.5 bcf a day growth in annual consumption. The Gulf of Mexico currently contributes about 24% of the US supply.

The long-term supply-demand gap cannot be met through storage reductions and new natural gas projects will take several years to develop. Substantial brownfield discoveries are required in the US to achieve the necessary increase in domestic production.

Successful drilling and production

Since inception the Joint Venture has drilled three exploration wells. All three wells encountered producible gas. LaPlayer#1 is currently producing at 2.4 mmcf per day, West Bird#1 is just being completed and expected to produce at approximately 2.0 mmcf per day, and Dunn-Murdock#1 has depleted its original zone of production; however plans are being made to restore production by re-completing the well in a different zone. Golden Gate's share of the combined revenue from these wells is expected to exceed A\$1,000,000 pa.

Coming work programs

Golden Gate will participate in the drilling of a further three exploration wells in the first half of 2003: Jack Frost (estimated pre-drill potential reserves of 5-10bcf), Dancer (5-10bcf) and HomeRun (50-200+bcf). Golden Gate's share of the cost of drilling these wells will be approximately A\$1,200,000.

The 3D seismic and interpretation work undertaken by the JV to date has identified 33 prospects that have been matured to the drilling stage:

- 18 with estimated pre-drill reserve potential of 3-25 bcf
- 5 with estimated pre-drill reserve potential of 30-250 bcf
- 8 with estimated pre-drill reserve potential of 200-800 bcf
- 2 with estimated pre-drill reserve potential of 900+ bcf

There are also at least 18 leads in the process of being analysed that are likely to result in further drillable prospects.

Golden Gate intends to continue to participate in the drilling of a combination of smaller, lower cost, lower risk prospects and larger, deeper prospects. In addition to the three wells committed for the first half of 2003, the JV is likely to approve a further three prospects for drilling in the second half. This rate of exploration can be expected to continue for many years.

Given the production history of the project area, the quality of the 3D seismic data, and the recent success rates in the region (Spinnaker's Stirrup discovery is located just a few kilometres east of the JV's acreage), the Padre Island prospects are considered likely to generate relatively high success rates. The JV's success rate to date stands at 2 out of 3, with the third well failing to hit the primary target zone due to drilling problems, but encountering two small shallower gas zones.

Not included in the above summary of prospects are further large-scale opportunities at greater depths (below 15,000 feet). Following receipt of strong interest from major oil and gas companies on the potential of the Padre Island area, the JV is considering the possibility of farming-out these ultra deep opportunities that are not included in the above prospects.

This might involve an arrangement similar to the US\$55 million farm-in announced by Woodside Petroleum (24 January 2003) over adjacent (albeit smaller, offshore) acreage held by Pioneer Natural Resources Company. We note with interest comments in Woodside's announcement that:

- The Pioneer deal is a key building block in Woodside's growth strategy.
- The Gulf of Mexico is one of Woodside's four focus areas in its search for international exploration and production opportunities.
- The Pioneer acreage targeted emerging deep gas, an under-explored play that has attracted significant interest in the past few years, primarily because discoveries could be brought into production within six months to two years due to their proximity to existing infrastructure.

Proposed Board and Management

Salvatore (Sam) Russotti (Executive Director). Mr Russotti is a geologist with more than 30 years experience in the petroleum industry. He has been executive director of Golden Gate Resources Ltd since May 2001, after ten years as general manager and finance manager of Cultus Petroleum. Previously, he was planning manager for Peko Oil Ltd from 1987-90.

Craig Burton (non-Executive Director) is a corporate solicitor focussed on financing and managing resource projects. He has undertaken financing activities in both Australia and Canada for resource projects throughout the world, covering oil, gold, nickel, copper, and diamonds. He is the founder and principal of Verona Capital, and a director of West Oil NL, Exco Resources NL, and Rewards Group Limited.

Francesco (Frank) Petruzzelli (non-Executive Director) is a principal of MDB & Co, an Australian accounting firm, and a director of Golden Gate Resources Ltd since May 2001. He is an expert in specialist accounting and management services and advises many ASX listed companies and large private organizations.

The Board intends to appoint an additional non-Executive Director.

Name Change

To reflect the change of focus, it is intended to change the name of Valdera to a new name as may be approved by shareholders at the time of the merger.

Merger Terms

The merger will be effected by Golden Gate obtaining shareholder and court approval for a Plan of Arrangement under Canadian laws.

Under the terms of the merger:

- (a) The issued capital of Valdera will be consolidated on a 2.6 to 1 basis.
- (b) The shareholders of Golden Gate will receive 1.6 shares in Valdera (post consolidation) for each 1 common share in Golden Gate held by them.
- (c) Valdera will issue various unlisted options to the holders of various stock options and warrants in Golden Gate.

The resulting post merger Valdera capital structure will be as set out in Attachment 1.

To ensure the merged entity is focussed on Golden Gate's Padre Island project, it is a term of the merger that the existing assets of Valdera are transferred out of the Company. Accordingly, Valdera will restructure its existing assets and liabilities as follows:

- (i) Valdera will retain \$1,900,000 in cash on deposit.
- (ii) With effect from 31 January 2003, all other assets and liabilities of Valdera will be transferred to its wholly owned subsidiary Southdale Holdings Pty Ltd ("Southdale") and Southdale will owe Valdera \$250,000.

- (iii) Southdale will have one fully paid share on issue. It will offer Valdera shareholders and/or optionholders at least 30 million shares at 1c each to raise \$300,000. Upon completion of this capital raising Southdale will pay \$250,000 to Valdera and will be a separate unlisted public company with the existing Valdera assets and a net cash balance of approximately \$50,000. Southdale intends to farm-out or vend these assets with the proceeds, whether cash or securities, distributed to its shareholders.

Following the above restructure, Valdera's only assets will be \$1.9 million in cash and \$250,000 owed by Southdale with no liabilities other than ongoing compliance and merger obligations.

Upon completion of the merger, Valdera will undertake a capital raising at an issue price of 20 cents per post consolidation share to raise between \$500,000 (minimum) and \$2,000,000. A pro forma post merger consolidated balance sheet of Valdera is set out in Attachment 2.

The merger is subject to the following conditions:

- (a) Valdera and Golden Gate completing a due diligence review of each other by 28 February 2003 to their respective satisfaction.
- (b) Valdera and Golden Gate obtaining all necessary regulatory and shareholder approvals. Valdera's shareholder approval will include approvals pursuant to Listing Rules 7.1, 10.11, 11 and sections 254H and 208 of the Corporations Act.
- (c) Golden Gate obtaining approval from the Supreme Court of the Yukon Territory.
- (d) Golden Gate obtaining all necessary consents of the holders of Golden Gate stock options and warrants.
- (e) Valdera completing its capital raising.
- (f) Southdale either completing or obtaining an unconditional underwriting of the \$300,000 capital raising referred to above.
- (g) No material adverse change occurring in the financial position of Golden Gate, excluding the results of any planned exploration wells.
- (h) The post restructure financial position of Valdera not being materially different from as referred to above.

The above conditions are to be satisfied or waived on or before 31 May 2003. A preliminary timetable of the key events for the proposed merger is set out in Attachment 3.

In the event the merger fails to proceed because a party fails to obtain the necessary shareholder, optionholder or court approval that party must pay the other party Cdn\$200,000. This may be satisfied either in cash or, at the election of the paying party, shares based upon the weighted average trading price over the 20 trading days prior to termination of the merger agreement.

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***The hydrocarbon information in this release is based on information provided by Mr Robert Rosenthal. Mr Rosenthal, a qualified geologist, is a technical consultant to Golden Gate Resources Ltd. Mr Rosenthal has practised as a geologist in the petroleum industry for over 20 years. Mr Rosenthal has consented to the inclusion of the geological information in this announcement in the form and context in which it appears.**

Attachment 1 – Post Merger Capital Structure

	Pre consolidation	Post consolidation and merger
Shares		
Current Valdera shareholders	48,761,221	18,754,315
Golden Gate shareholders		96,007,944
Placement (to raise at least \$500,000)		2,500,000
Total Shares		117,262,259
Listed Options		
Current Valdera optionholders (note 1)	48,000,000	18,461,538
Unlisted Options		
To current Golden Gate option or warrant holders:		
Exercisable at 30c by 30 June 2006		8,000,000
Exercisable at 20c by 31 May 2003		600,000
Exercisable at 20c by 31 May 2006		960,000
Exercisable at 44c by 18 February 2007		800,000

Notes

1. Post consolidation these options will be exercisable at 65c on or before 30 June 2005. Valdera intends to apply to ASX for a waiver of the Listing Rules to permit the term of the options to be extended to 31 December 2006.
2. It is proposed to issue about 3 million new options exercisable at 30c on or before 30 June 2006.

Attachment 2 - Pro Forma Post Merger Consolidated Balance Sheet

	VLR 31/1/2003	Golden Gate 31/1/2003	Adj	Pro forma
Current Assets	\$	\$	\$	\$
Cash assets	1,900,000	465,727	275,000	2,640,727
Receivables	250,000	31,659		281,659
Total Current Assets	2,150,000	497,386	275,000	2,922,386
Non-Current Assets				
Property, plant and equipment		4,155		4,155
Deferred exploration, evaluation and development expenditure		11,861,449		11,861,449
Total Non-Current Assets		11,865,604		11,865,604
Total Assets	2,150,000	12,362,990	275,000	14,512,990
Current Liabilities				
Payables		242,565		242,565
Loan		1,286,483		1,286,483
Total Current Liabilities		1,529,048		1,529,048
Total Liabilities		1,529,048		1,529,048
Net Assets	2,150,000	12,362,990	275,000	14,512,990

This Pro forma is based on unaudited management accounts as at 31 January 2003. The Pro forma has been prepared on the basis that the following transactions have taken place:

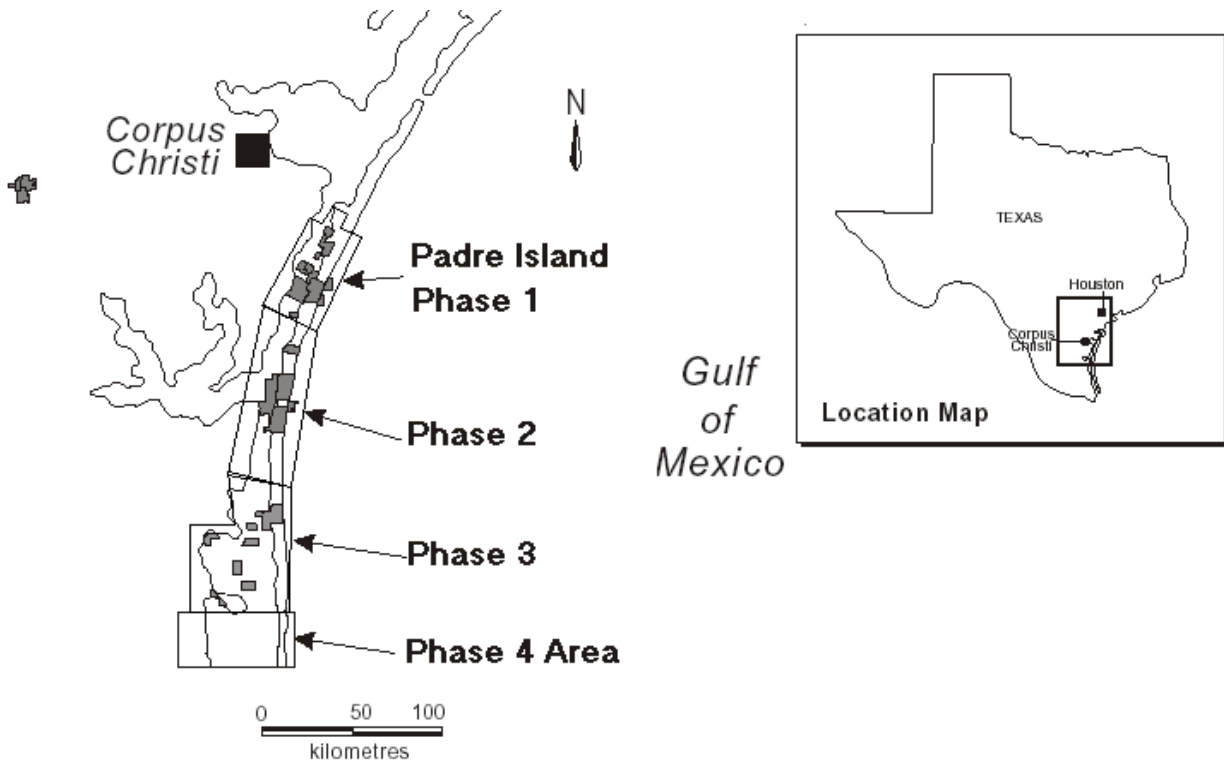
1. The transfer to Southdale of all Valdera's assets and liabilities except \$1,900,000 in cash with a \$250,000 receivable owed by Southdale, which company is not included in the consolidation.
2. The minimum issue of 2,500,000 shares at a price of 20 cents to raise \$500,000 under the proposed capital raising.
3. The payment of costs incurred by the Company in relation to the capital raising and the merger estimated to be \$225,000.

Attachment 3 – Estimated Timetable Of Key Events

	MATTER	COMPLETION DATE
1.	Signing of HOA	February 6
2.	Completion of Due Diligence	February 28
3.	Mailing date of Valdera Notice of Meeting	mid March
4.	Valdera Meeting Date and Suspension of Securities	late April
5.	Valdera Issues Prospectus	late April
6.	Closing of Merger Arrangement	early May
7.	Closing of Valdera prospectus	mid May
8.	Merged entity re-lists and commences trading on ASX	late May

Please note the above dates are indicative only. Shareholders will be advised of final dates once settled.

Attachment 4 - Padre Island Project Area



Glossary

- tcf = trillion cubic feet
- bcf = billion cubic feet
- mmcf = million cubic feet
- mcf = thousand cubic feet