

11 September 2003

Manager Announcements
Companies Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000



via electronic lodgement

Dear Sir/Madam,

PROJECT ACTIVITIES UPDATE

- Jack Frost #1
- La Playa #1
- Dunn-Murdock #1
- Future Drilling Programmes
- Production Update

JACK FROST #1

The Operator of Jack Frost (BNP Petroleum Corporation) has advised that testing operations in the Marg Frio were completed yesterday. Although, as previously reported, electric logs had indicated a potential gross gas pay of approximately 24 feet, testing achieved a flow of water with only minor gas quantities. It appears that the reservoir is water saturated and only residual gas remains. A further zone of 3 to 4 feet will be tested within the next two days. If this final zone does not flow gas the well will be plugged and abandoned.

LA PLAYA #1

The Operator (BNP Petroleum Corporation) has advised that re-completion of the well in its next productive zone was achieved over the weekend. The production rate is currently around 2.2 million cubic feet per day. La Playa has four potentially productive zones that will be completed and tested after depletion of the current producing zone.

DUNN-MURDOCK #1

The Company is awaiting a proposal from the Operator (Novus Oil & Gas Texas LLC) to perforate and test an additional zone in this well. If successful it would bring Dunn-Murdock #1 back on production.

FUTURE DRILLING PROGRAMMES

The Operator of the Deep JV (Novus) continues to work towards an October/ November spud date for the Home Run #1 deep well. La Playa Deep #1 would immediately follow that well.

The Company is awaiting the proposal for the next shallow well from the Shallow JV Operator (BNP). Details are expected within the next few weeks and it is likely to be Dancer #1.

COMMENTS

Mr. Sam Russotti, the managing Director of Golden Gate Petroleum commented, "The results of Jack Frost are not what we would have liked, however the Company still has an enviable success record with three of the four wells drilled to date having contributed to gas sales. Two of those wells are still in production and if work on Dunn-Murdock #1 is successful that could be back up to three. Additionally there remains an impressive portfolio of prospects within the Company's Padre Island acreage which are yet to be drilled. The Company remains well placed to take advantage of success in those prospects."

*On behalf of the Board of
Golden Gate Petroleum Ltd*

Mark Freeman
Company Secretary

Table 1 – Padre Island Background Information

About Padre Island Joint Venture

- The principal asset of Golden Gate is a 10% participating interest in the Padre Island Joint Venture (“PI JV”). Padre Island is a large sand barrier, located along the western coastline of Texas on the Gulf of Mexico. The Gulf of Mexico is a proven hydrocarbon area that produces around 24% of the total gas consumed in North America.
- The joint venture consists of BNP Petroleum (a private Texas corporation), Novus Petroleum (an ASX listed company), Mitsui Oil (a subsidiary of the giant Mitsui Corporation) and Golden Gate (10%), with BP North America farming in to carry the Ultra-Deep drilling programme in the Phase 1 and 2 lease areas covering approximately one half of the total Padre Island project area.
- The Padre Island JV has multiple play types including smaller, low risk, shallow prospects and larger, deeper prospects which have seen little drilling attention.
- Advancement of 3D seismic has allowed the imaging of deeper larger targets analogous to areas of high activity and exploration success in the Eastern Gulf of Mexico.
- Extensive 3D seismic and interpretation work undertaken by the Padre Island JV to date has identified 33 prospects (excluding the Ultra-Deep section) that are now ready for drilling.
- The Joint Venture’s neighbours around Padre Island include industry majors Woodside, El Paso, Santos and Spinnaker Oil.

| RESTRUCTURED PADRE ISLAND JOINT VENTURE PARTICIPATING INTERESTS | | | | | |
|---|-------------|----------|----------|--------|--------|
| | GOLDEN GATE | NOVUS | MITSUMI | BNP | BP |
| La Playa field (local private company KCS has a 20% interest) | 10% | 30% | 15% | 25% | |
| West Bird field | 10% | 40% | 20% | 30% | |
| Shallow leases over 6 specific areas (Jack Frost, Hook, Fault/County Line, El Mar, Peach/Manzano, Shallow and Lemon) | 10-20% | | | 80-90% | |
| Lemon Seed prospect (deep) | 10% | 40% | 20% | 30% | |
| Ultra deep sections | 10% | 40% | 20% | 30% | |
| Ultra deep discovery developed by BP in the Phase 1 & 2 lease areas | 2.25% | Variable | Variable | 7.75% | 76-80% |
| All other leases (including all identified Deep prospects excluding Lemon Seed; the balance of the Shallow leases excluding those noted above; the Tomato gas field; and the Ultra-Deep section outside the BP farm in AMI which coincides with seismic phases 1 & 2. | 10% | 70% | 20% | | |

United States Gas Market

- The United States is the biggest gas market in the world, larger than the next eight biggest gas-consuming nations combined.
- The United States consumed 22 trillion cubic feet (“tcf”) per annum in 2002 and this is expected to increase to 30 tcf by 2015. By way of comparison in 2002 Western Australia’s North West Shelf Venture produced approximately 0.8 tcf.

- Gas producers in the US enjoy high prices (currently around US\$5.80 per mcf compared to approximately US\$1.45 per mcf in Australia), modest corporate tax rates, wide-ranging exploration allowances and comparatively low drilling and other onshore services costs.
- Gas produced in the Padre Island region is connected into the gas grid of Southern Texas through a working gas-gathering pipeline system on Padre Island. The pipeline system, which has significant unused capacity, is a common carrier available to all gas producers and will allow any new discoveries to be commercialised rapidly.

Definitions of Play Types and Operators

| | |
|--------------|--|
| Shallows: | Targets to 11,000 to 12,000 feet BNP will pursue as operator. |
| Deeps: | Targets deeper than 11,000 to 12,000 feet Novus will pursue as operator, except, in the Phase 1 and 2 lease areas where Novus will only pursue targets to 15,000 feet (with the exclusion of 6 defined deeper targets), and thereafter BP will pursue the ultra deep targets. |
| Ultra Deeps: | Below 15,000 feet in the Phase 1 and 2 lease areas subject to the exclusions. NB: Below 15,000 to 20,000 feet the geology changes and high pressures and temperatures could lead to very high drilling costs. This ultra deep acreage has been farmed out to BP who will be conducting the exploration of these ultra deep prospects as operator and recovering its costs out of the production from any discoveries made. |