

24 February 2004

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

Via electronic lodgement

Dear Sir/Madam,

Golden Gate Petroleum Ltd acquires production leases in NE Texas

The Company is pleased to announce that it has acquired the shallow rights to 2,336 acres of oil and gas leases in Panola County east Texas by the acquisition of a 100% working interest in the NE Bethany Waterflood Unit #3, a shut-in oil field. The leases are located near the Texas/Louisiana border approximately 30 kilometres west of the town of Shreveport. Golden Gate's rights extend from the surface to approximately 3,990 feet. Wells drilled on adjacent leases show the presence of up to four gas zones and three oil zones within that interval. All of the existing sixteen wells within the leases were drilled for the purpose of producing from the oil zones and therefore have not had any significant impact on potential reserves within the gas zones.

The consideration for the acquisition is US\$350,000. Documents filed with the US Securities commission indicate that there remain proven undeveloped reserves of 4.5 bcf of gas and 744,888 barrels of oil (net to Golden Gate) within the leases. That equates to an approximate acquisition cost of US 23 cents per barrel of oil equivalent.

Mr Sam Russotti, managing director of Golden Gate, remarked: "The price and address is right. Successful exploitation of Bethany will augment the Company's cash flow and enable it to better support its continued participation in the high impact Padre Island prospects. Holding all of the working interest means that Golden Gate is the operator and will be in control of drilling operations. These shallow prospects can be drilled cheaply. A small drilling team is being assembled with the aim to commence drilling operations within the next three months. The infrastructure already present in the area will enable any success to be quickly tied in and produced."

On behalf of the
Board of Directors

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The hydrocarbon information in the release is compiled by Mr Sam Russotti, BSc (Geol) who has 31 years relevant experience in the Oil and Gas Industry.