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Market Release (*via electronic lodgement*)

FAUSSE POINT UPDATE—MOVING TO COMMERCIAL PRODUCTION

The Board of Golden Gate Petroleum Ltd (ASX:GGP) advises that significant progress has been made in preparing the T.G.R. Land Company, Inc #1 well at Fausse Point for commercial production.

The drill site has been converted to a production facility with the construction of a permanent pad. Production equipment has been moved on site and is being assembled in order to commence production from the initial interval tested at 8,370 feet.

The road to the production facilities is currently being made permanent and designed for access to a second drill site for a follow up well to the initial discovery.



A short pipeline to the main meter station is currently being worked on. Surface access, meter station upgrades and pipe acquisition have been organised. Actual pipeline construction is planned for the end of this month with production beginning in May.

Further geoscience work is being conducted on the data from the initial well along with additional information including more seismic data on the Fausse Point salt dome. This work will provide a better indication of the potential size of the discovery and the best path to gauge and develop the overall commercial potential.

Analysis to date indicates that the lowest zone (8,370 feet) is possibly connected to a much larger hydrocarbon accumulation, and that this well has only just penetrated the edge of this larger accumulation. While this zone now being completed for production was not an original target of this well, it has the potential to represent a new play type.

The two primary target objectives of the well that were intercepted at the shallower depths and were hydrocarbon bearing will also be evaluated from the added seismic data and tested in due course.

Comments

GGP and its Joint Venture partners are pleased to have made the decision to bring this well into commercial production and move forward with generating early cash flow, whilst it continues to evaluate all the data collected from the well. To bring a well like T.G.R. Land Company Inc #1 from pure exploration to production within such a short time frame and at relatively low cost is very pleasing and certainly one of the benefits of working onshore USA.

Persisting with testing this deep zone and bringing it into commercial production rather than moving up the hole and testing the numerous other zones is based on our expectation that we may have discovered

something substantial in a new play type in this deep section that we need to understand. Fausse Point has been an extremely interesting well in that it has discovered hydrocarbons over multiple levels which is extremely encouraging, however patience is required to fully understand each of these zones so as to optimise any appraisal drilling operation.

As reported previously the Fausse Point well has encountered three gas and oil formations starting at 7,000 ft. There have been several zones hydrocarbon zones identified across all three major formations which will form part of an exciting testing operation in due course.

Partners in the Fausse Point Project are:

Golden Gate Petroleum Ltd (ASX code: GGP)	18.00% WI
Verus Investments Limited (ASX code: VIL)	45.00% WI
Pass Petroleum L.L.C.	27.00% WI
Oakmont Minerals	10.00% WI

On behalf of the Board of Directors

For further information contact:

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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), with over 34 years respective relevant experience within 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.