

# GOLDEN GATE PETROLEUM LTD

## ASX / MEDIA ANNOUNCEMENT

24 May 2013

### Permian Project Operational Update—5H Gas Sales Commenced

Golden Gate Petroleum Limited ("GGP") (ASX: GGP) is pleased to provide the market a weekly update on the 5H well which is part of the Permian Project in Texas, USA.

#### #5H Well Update

The 5H well continues to produce frac fluid, oil and gas through a bottom hole pump. Pump rates have varied during the last week as the well has been shut-in at times to install a new gas pipeline, meter, capillary and to conduct performance testing. In addition, an emulsion reducing additive is now being used to chemically treat the oil and frac fluid emulsion that is making up part of the produced fluids stream.

The most recent oil cut percent is approximately 35%, up from the prior week and total fluid production is running around 135 bbl per day as we continue to adjust flow rates and adjust for gas production. Gas production is up to a 200 mcf per day rate. Pressure in the new gas pipeline will eventually be reduced to allow additional production once compressors are installed to maintain lower line pressures. We are also evaluating a replacement of the bottom hole pump as pump rates based on fluid levels and other factors suggest that a different pump, such as a jet pump, may provide better performance. The addition of chemicals, high gas line pressures and changes to production equipment are often normal operational fine tuning for a new well.

We continue to monitor the well and will adjust equipment and flow rates as conditions warrant. The current hydrocarbon break-through is not considered a measure of initial production levels at which the well will establish its long term producing base. Higher percentages of oil and gas are expected as more total frac fluid is recovered and further changes are made to the well's operational parameters.

Halliburton have reported recoveries of up to 40-50% of frac fluid volumes prior to hydrocarbon break through when using Perm Stim frac fluid. The early start to oil and gas production in 5H is testimony to every well being different and sometimes hard to know what to expect. Other wells using Perm Stim fluid and having early breakthrough similar to 5H experience suggest that the 5H well could produce for several weeks at current oil percentages before oil production reaches initial production levels.

#### For and on behalf of the board

**Steve Graves**  
Executive Chairman

#### For further information on GGP contact:

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#### About Golden Gate Petroleum Limited

Golden Gate Petroleum Limited (ASX:GGP) is an ASX listed company focused on the exploration and development of oil and gas projects in the Gulf States of the United States of America

#### COMPANY INFORMATION

Golden Gate Petroleum Ltd  
ABN 34 090 074 785

#### COMPANY DIRECTORS

Steve Graves – Executive  
Chairman  
Chris Porter – Director  
Rob Oliver - Director

#### MANAGEMENT

Chris Ritchie – CFO / Co Sec

#### STOCK EXCHANGE LISTING

Australian Stock Exchange  
ASX Code: GGP

Current Shares on Issue:  
4,353,316,468  
Market Capitalization as at 23  
May 2013 based on a share  
price of \$0.002  
AUD \$ 8.7 million

#### CURRENT PROJECTS

Permian Project  
Eagle Ford Shale  
Bowie West  
Napoleonville  
North Edna  
Acadia  
Goliad

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