

GOLDEN GATE PETROLEUM LTD ASX / MEDIA ANNOUNCEMENT

24 October 2013

Resolution of an Over-riding Royalty Dispute

The Company wishes to advise that on 18 October 2013, the Company received written acknowledgement of an out of court settlement regarding a 1.5% over-riding royalty interest over the Permian project that was between our US subsidiary and Chalk Sea Development, Limited ("Chalk Sea").

The Company's recently released financial accounts incorporate the outstanding royalty of approximately US\$50,000 that was held in escrow until the matter with Chalk Sea could be resolved. The matter had also been included in prior period financial accounts and was reported to the market as early as 4 March 2011. No separate announcement was contemplated as the amount was not considered material as no significant cash impact came from the settlement.

The Company had been disputing this over-riding royalty interest and defending a case in the US courts while Arturus Capital Limited "AKW", the original leaseholder, had been pursuing the matter in a NSW court prior to AKW being placed in liquidation. AKW had claimed that the over-riding interest claim was granted without AKW board approval and as part of a claim for excessive compensation.

The Company has an indemnity from AKW in regard to these over-riding royalty payments. The Company has lodged a proof of debt with the liquidator in regard to these amounts. In addition, the Company is obligated to pay Chalk Sea's legal costs of US\$50,000, which are payable in February and May 2014.

For and on behalf of the board

Steve Graves
Executive Chairman

For further information contact:

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About Golden Gate: Golden Gate is an independent oil and gas exploration and production company listed on the Australian Securities Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region and the Permian Basin region of the USA.

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:

4,662,345,704

Market Capitalization as at

23 September 2013 based on a

share price of \$0.001

AUD \$4.7 million.

CURRENT PROJECTS

Permian Project
Bowtie West
Napoleonville
Acadia
Goliard

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