

GOLDEN GATE PETROLEUM LTD ASX / MEDIA ANNOUNCEMENT

7 June 2013

Permian Project Operational Update

Golden Gate Petroleum Limited ("GGP") (ASX: GGP) is pleased to provide the market an update on the Permian Project in Texas, 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:

4,353,316,468

Market Capitalization as at

6 March 2013 based on a
share price of \$0.003:

AUD \$13.1 million

CURRENT PROJECTS

Permian Project
Bowtie West
Napoleonville
Acadia
Goliad

www.ggpl.com.au

#6 Well

The #6 well is expected to commence drilling operations over this coming weekend. This vertical well will be drilled to a depth of 9,300 ft., penetrating all formations down to the top of the Strawn interval. The well is expected to take approximately 10 days to drill and complete and then fracture stimulation of the Sprayberry/Dean and Wolfcamp intervals will be considered based on log analysis from the well and production history from GGP's four other vertical SRH wells. We will also examine the potential for horizontal development of the shallower Clearfork interval.

The #6 well is the sixth well to be drilled by GGP in the Permian Project and is located on the same lease as the previous four vertical wells, where we have all rights to all formations down to the Strawn interval. This lease contains 5 million barrels of 1P and 2P reserves which we have booked from the Sprayberry/Dean intervals. Currently no reserves are booked for the Wolfcamp, but with the production history from the vertical wells and the #6 plus the #5 horizontal well, we hope to be able to re-examine, and upgrade our reserve position.

#5H Well

The artificial lift system installed in the #5H well is currently being changed. The down hole electrical submersible pump (ESP) is being removed because the gas to liquids (oil and frac fluid) ratio in the well exceeds the optimum recommended for the pump, resulting in poor pump performance. The pump will be replaced by gas lift which is expected to result in larger volumes of oil and frac fluid being produced to surface, thereby cleaning up the well of frac fluid.

The gas lift system is expected to come into operation early next week. If results from this system are below expectation, a more complex gas lift design may be required. Due to the volumes of gas that have been produced from the well to date, it is expected that gas lift will provide a more effective means of recovering the frac fluid from the well and increasing the oil rate.

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.

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr. George Placke, Petroleum Engineer, with over 30 years of experience within the oil and gas sector and an extended background in Texas and Louisiana.

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.