

GOLDEN GATE PETROLEUM LTD ASX / MEDIA ANNOUNCEMENT

24 July 2013

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:
4,516,698,826
Market Capitalization as at
23 July 2013 based on a share
price of \$0.002:
AUD \$9.0 million

CURRENT PROJECTS

Permian Project
Bowtie West
Napoleonville
Acadia
Goliad

www.ggpl.com.au

Operations Update

Permian Project, Reagan County, Texas, 100% WI, Operator Producing Wells

The SRH #1 and SRH #2 wells were the original vertical wells used to initially test the Wolfcamp intervals in our area. The Company fracture stimulated the Wolfcamp in these wells and not the Spraberry Dean intervals which had been fully tested from earlier development in our area. These two wells are currently on production from the Wolfcamp interval only until we have sufficient funding resources to go into each well and frac the Spraberry Dean intervals like we have already done in the SRH #3 & #4 wells. Both the SRH #3 & #4 wells which have frac stages across all intervals are performing on or close to the expected producing decline curve determined by nearby wells.

The SRH #5H well has been a challenge and has so far produced oil below our expectations. The well was drilled correctly and was successfully fracture stimulated. However, production appears constrained by either a blockage in the well bore from formation deposits coming through the perforations, a chemical reaction between frac fluid and the formation restricting flow rates, or the actual formation not permitting the oil in place to flow. We are evaluating possible remedial actions we plan to take to improve performance. In the meantime, a gas lift system has replaced the less efficient submersible pump system and is testing various settings to determine best performance rates.

Legal Matters

On several occasions the Company has attempted to settle the dispute with Mr Paul Page and Petro Raider, concerning the Permian leases, without success. The Company believe our offers have been reasonable and fair for both parties. The current status of the legal action is that the Texas court has set a trial date of mid June 2014. It is expected that whatever the verdict, the case will be appealed by either party and it will take one to two years for an appeal ruling to be handed down.

Napoleonville Project, Assumption Parish, Louisiana, 15% WI, Non-Operator Dugas & Leblanc # 1 Blowout Well

The Company is pleased to announce that a commercial settlement has been reached between the landowners affected by the Dugas and Le Blanc #1 well blowout and the JV partners. In addition, a commercial settlement between the JV partners and the workover operator of the rig has been reached. The settlements were achieved without additional cash outlay by the Company.

The Company continues to have ongoing exposure to personal injuries cases that are pending. Under the settlement with the landowners, the JV partners remain obligated to complete the remaining remediation of the land affected by the blowout.

As previously advised the Company believes that its Insurance will more than cover any expected liability.

Dugas & Leblanc # 3 Well (15.0% WI)

This well continues to successfully produce. So far, 149,000 barrels of oil and over 400,000 million cubic feet of gas have been produced from a single interval with little decline in production. It has been proven to be a commercial success in its own right.

Henslaring #1 Well (3.99% WI)

A second discovery in the Napoleonville Project, this well has recently gone on production and has already produced 5,000 barrels of oil in the first two weeks.

Contract Drilling & Operator

The Company has been reviewing various prospect proposals throughout Texas and Louisiana. The Galindo Well was reviewed but determined to fall outside our investment criteria at the time, given the small size of the prospect and the commitments the Company has in the Permian and elsewhere.

The working interest partners in Galindo asked the Company to contract operate and drill the well for a fee which it has done. However, the Company has no working interest in the well. The Company earned a fee to drill the well plus will earn an ongoing fee as operator.

Given that the Company's Texas based subsidiary, Kindee Oil and Gas Texas, LLC is a qualified operator including investment in support systems and vendor requirements, the Company was able to earn revenue to offset our overheads while during a period of time when it was not active with our primary projects.

The revenue from this activity is not expected to have a material effect on the Company's financial performance and has not impacted the Company's principal focus on the Permian project.

Reduction in Overheads

The Company's consolidation of projects, mainly from the sale of less economic projects, has meant that it has been able to reduce its overheads. Effective 1 April 2013, the Company implemented a 25% reduction in total overheads which included a similar reduction in the Executive Chairman and other executive's compensation. Further reductions in executive staff and compensations have also been implemented beginning in July 2013.

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.