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Market Release (*via electronic lodgement*)

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2004

HIGHLIGHTS

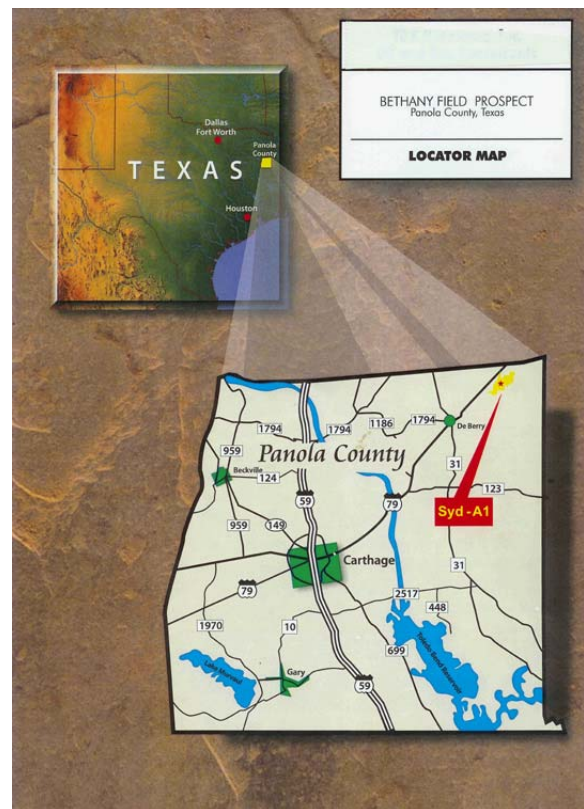
- Testing at Bethany Syd – A1 confirms commercial gas flow
- Testing at Homerun – 1 identifies gas in zone 2
- LaPlaya Deep – 1 tied into gas grid
- Future Drilling Programmes

SYD – A1 (100% WORKING INTEREST) – LOCATION: BETHANY

During the quarter the Company drilled Syd – A1 well in Bethany. Subsequent testing confirmed a commercial gas flow at a stabilised rate of 420 mcf per day through a 9/64 inch choke. Flowing pressure was a stable 650 psi leaving scope to open the well up to 500 mcf per day. Arrangements will now be made for the well to be tied into a nearby pipeline (approximately 500 metres from the well) and a gas sales contract will be finalised. This process is expected to take one to two months. This test result is above the Company's expectations considering the shallow depth of the reservoir (2,851 feet).

In addition to this producing zone there is at least another gas zone in this well that remains untested and three oil zones that will require further testing. These zones will be the subject of a future testing programme. Throughout the lease there are a minimum of four potential gas zones and three potential oil zones between depths of 1,000 to 4,000 feet giving a high probability that each well will intersect at least one or two, if not more, of these zones, resulting in a low risk drilling programme.

There are a number of positive results from this discovery; the Company has a 100% working interest in the Bethany lease and as a result of Syd – A1 the Company's current production and consequently revenue will more than



double and at the present production rate and current gas prices of US\$7 per mcf Syd – A1 will increase the gross annual revenue of the Company by approximately A\$1.8 million.

The success at Syd – A1 re-enforces the Company's existing plans for an accelerated exploration programme on its Bethany lease. The next two well locations have already been surveyed and drilling of the next well is planned to commence around mid November.

Due to the onshore location and proximity to existing infrastructure, discoveries in the Bethany lease benefit from low development and production costs and short lead times between discovery and commercialisation. This means that even low production rates remain economic especially in today's environment of strong energy prices.

Bethany entitles Golden Gate to oil and gas rights to 2,336 acres in Panola County east Texas from surface to approximately 3,990 feet. All of the existing seventeen wells within the leases were drilled for the purpose of producing from the oil zones and therefore have not had any significant impact on potential reserves within the gas zones.

Documents filed with the US Securities commission indicate that there remain proven undeveloped reserves of 4.5 bcf of gas and 744,888 barrels of oil (net to Golden Gate) within the leases.

HOMERUN – 1 (10% WORKING INTEREST) – LOCATION: PADRE ISLAND

During the quarter zone 1 was perforated but failed to flow gas because of the tight nature of the reservoir at that depth. In early October zone 2 was perforated and flow tested. On initial perforation the well immediately started to flow gas. The flow rate ranged between 400 and 500 mcf per day and the zone also started to flow light oil at between 17 and 25 barrels per day. These flows have been achieved without any form of stimulation.

The well was shut in to obtain pressure information and a fracture stimulation program has been designed. Fracture stimulation equipment is being mobilised and stimulation of the well is scheduled to commence on 1 November 2004. Expectations are that successful fracture stimulation will result in a production rate of approximately 2 million cubic feet of gas per day.

On completion of the testing of zone 2 it is intended that zone 3 will be tested. Electric log and sidewall core data obtained from zone 3 indicate that it should have better flow properties than zone 2, and expectations are for a flow of approximately 3 million cubic feet per day.

Successful testing and tie in of Homerun – 1 will, at gas prices of US\$5 per mcf and anticipated production rates, double the Company's present income from Padre Island to more than US\$90,000 per month, or A\$1.5 million per annum.

The results of both the deep wells (LaPlaya Deep – 1 and Homerun – 1) show that the sequence does contain permeable gas bearing reservoirs and that has positive implications for the prospects to the South (Manzano, Plum and Murdock) where depositional models predict a thickening of the reservoir sequence and an improvement in quality.

LAPLAYA DEEP – 1 (10% WORKING INTEREST) – LOCATION: PADRE ISLAND

Zone 5 in LaPlaya Deep – 1 was perforated and flow tested. The flow rate stabilised at 1.1 million cubic feet of gas with 13 barrels of oil and 43 barrels of water per day through a 12/64" choke. Operations to tie the well into the pipeline grid and the installation of surface processing equipment have been completed and sale of gas has commenced.

A copy of the experts report on the attempted fracture stimulate of zone 4 confirmed that the fracture stimulation had failed. The failure of the zone to flow gas post the attempted fracture stimulation may be the result of either formation damage caused by the fracture attempt or the flow characteristics of the reservoir or a combination of both. The Company believes that as gas flow was achieved for a short period prior to the fracture stimulation that the more likely cause is that the formation was damaged.

The re-fracing of zone 4 was not attempted because of the danger that it would cause further formation damage and consequently fail. Instead zone 4 will be kept open to allow it to produce along with zone 5. Production logs will be run at regular intervals to determine whether zone 4 is contributing to production.

Because of these factors zone 4 remains largely unevaluated. A proper evaluation of that zone will need to be conducted on a future appraisal well in an undamaged section of reservoir.

PRODUCTION

During the quarter Golden Gate's estimated share of production from the Padre Island wells was 17,500 mcf of gas and 145 barrels of oil.

FUTURE DRILLING PROGRAMMES

Prospect Name	Current Planned Start Date
Bethany (Syd - A2)	November
Bethany (Syd - A3)	December
Manzano	TBA
Murdock South	TBA
Plum Deep	TBA
Lemonseed	TBA

CORPORATE

During the quarter the Company issued 200,000 options exercisable at 33 cents each on or before 19 August 2008 to the Company Secretary.

Shareholders are reminded that our Annual General Meeting will be held at Level 1, 8 Colin Street, West Perth on 30th November 2004 at 10am. A copy of the Notice of Meeting has been circulated to shareholders and is available for download from the Company's website. A presentation of Golden Gate's projects will be made following the formal business of the meeting, and the Board looks forward to meeting interested shareholders and investors.

On behalf of the
Board of Directors

For further information contact:

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The hydrocarbon information in the release is compiled by Mr Sam Russotti, BSc (Geol) who has 31 years relevant experience in the Oil and Gas Industry.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Golden Gate Petroleum Ltd

ABN

34 090 074 785

Quarter ended ("current quarter")

30 September 2004

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	191	191
1.2 Payments for		
(a) exploration and evaluation	(567)	(567)
(b) development	(96)	(96)
(c) production	(13)	(13)
(d) administration	(128)	(128)
(e) cash (advance to)/ applied by JV Operator	64	64
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(546)	(546)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(f) prospects		
(g) equity investments		
(h) other fixed assets	(1)	(1)
1.9 Proceeds from sale of:		
(i) prospects		
(j) equity investments	84	84
(k) other fixed assets		
1.10 Loans from other entities		
1.11 Loans repaid to other entities		
1.12 Cash recognised from acquisitions of subsidiaries		
	83	83
Net investing cash flows		
1.13 Total operating and investing cash flows	(463)	(463)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(463)	(463)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	(14)	(14)
1.15	Costs of the Issue		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	(14)	(14)
	Net increase (decrease) in cash held	(477)	(477)
1.20	Cash at beginning of quarter/year to date	1,452	1,452
1.21	Exchange rate adjustments to item 1.20	(42)	(42)
1.22	Cash at end of quarter	933	933

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	63
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

<p>Director and employee services provided by Mr S Russotti for the period aggregated \$39,539.</p> <p>Director services were provided by MDB Coralton Pty Ltd, a company in which Mr F Petruzzelli is a director, under normal commercial terms and conditions for the period aggregated \$4,858 (GST Inclusive).</p> <p>Administrative services were provided by Mitchell River Group Pty Ltd, a company in which Mr Craig Burton is a director, under normal commercial terms and conditions for the period aggregated \$5,540.35 (GST inclusive).</p> <p>Directors Fees and reimbursement of bonafide expenses were provided by Verona Capital Pty Ltd, a company in which Mr Craig Burton is a director, under normal commercial terms and conditions for the period aggregated \$13,200 and \$271 respectively (GST inclusive).</p>

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	
Total	600

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	933	1,452
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)	933	1,452

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E80/2879	Direct	100%	0%
	E80/2360	Subsidiary	100%	0%
	E80/1882	Subsidiary	100%	0%
	P80/1508	Subsidiary	100%	0%
	EL 23728	Subsidiary	100%	0%
	WA-13-R	Subsidiary	5.9%	0%
	NTRL/3	Subsidiary	5%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	131,749,885	131,749,885		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities (description)	Number	⁺ Class		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	41,446,629	28,461,629	Exercise price 65 cents (28M) 30 cents (11M) 20 cents (0.96M) 44 cents (0.8M) 32 cents (25k) 33 cents (200k)	Expiry date 31 Dec 06 10 August 06 31 May 06 18 Feb 07 2 March 07 19 Aug 2008
7.8 Issued during quarter	200,000		Nil	Nil
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)	0			

+ See chapter 19 for defined terms.

