



GOLDEN GATE PETROLEUM LTD

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31 October 2005

Market Release (*via electronic lodgement*)

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2005

- ❖ Golden Gate acquires all of the Novus interests in the Padre Island Project
- ❖ Golden Gate Secures substantial partner for its Padre Island Drilling Program
- ❖ Change of Directors

EXPLORATION

During the quarter Long Flat Ltd (a wholly owned subsidiary of Golden Gate Petroleum Ltd) completed the purchase of all of the Padre Island interests owned by Medco Energi International (previously held by Novus Petroleum) for a consideration of US\$1,000,000.

The Company has since sold half of its exploration interests in the Padre Island Project to Lodore Resources Inc ("Lodore") for a consideration of US\$420,000. Lodore is an oil and gas explorer and producer listed on the London Stock Exchange and has a capitalization of 90 million pounds (approximately A\$211 million).

Golden Gate has retained all of the production assets it acquired from Novus, leaving it with a 40% to 80% working interest in the PIJV production assets and a 40% to 50% working interest in the key PIJV exploration assets.

The addition of Lodore as a direct participant in the exploration of Padre Island adds financial and technical strength to the Padre Island Joint Venture. Information on Lodore may be obtained at its website (www.lodoreresources.com).

The Company's working interests post the sale to Lodore are listed in the following table.

PADRE ISLAND JOINT VENTURE PARTICIPATING INTERESTS				
	GGP	LODORE	MITSUMI	BNP
Production Fields				
La Playa field (local private company KCS has a 20% interest)	40%	-	15%	25%
West Bird field	50%	-	20%	30%
La Playa Deep	80%	-	20%	-
Prospects				
Murdock South and Plum Deep*	50%	50%	-	-
Manzano*	40%	40%	20%	-

Kingsway*	50%	50%	-	-
Wilson*	40%	40%	20%	-
Lemon Seed prospect (deep) *	25%	25%	20%	30%
Ultra deep sections *	25%	25%	20%	30%
Shallow leases over the Hook, Fault/County Line, El Mar and Dunn Deep areas*	10%	-	-	90%
All other leases (including all identified Deep prospects excluding Lemon Seed; the balance of the Shallow leases excluding those noted above; the Tomato gas field.	40%	40%	20%	-

* GGP as Operator

The Company is negotiating with a number of parties who wish to farm into the Padre Island Project. A successful conclusion to these negotiations would result in a substantial contribution to exploration costs while leaving the Company with a meaningful 25 to 30% working interest in the major prospects.

PRODUCTION

During the quarter Golden Gate's estimated share of production from its USA operations was 55.4 million cubic feet of gas and 310 barrels of oil.

Production was suppressed by the impact of two hurricanes. No facility damage occurred however as a precaution the wells were shut in for several days. At the time of writing three of the Company's five producers are in production. West Bird is shut in while the Operator (BNP) finalises arrangements to install compression facilities to restore and maintain production. In Bethany Syd A2 is producing while Syd A3 remains shut in pending finalisation of title questions.

FUTURE DRILLING PROGRAMMES

The Company plans to commence drilling operations as soon as possible and anticipates that it will start its drilling programme with either a Plum or Manzano well during January 2006. The actual well and commencement date are dependent on which drilling application is approved first and the type of drilling rig available. It is probable that both wells will be drilled during the first quarter of 2006. The Company has also commenced planning for a shallow La Playa development well (operated by BNP) to be drilled at the same time.

CORPORATE

The Company announced on 7 October 2005 the resignation of Mr Craig Burton as a director and the appointment of Mr Mark Freeman.

Mr Burton has been a member of the board since 1999 and has been an integral part of the Company's growth and development over that period. Mr Burton has resigned due to other work commitments.

Mr Freeman has been Company Secretary and financial controller to the Company since 2001. Mr Freeman holds a Bachelor of Commerce degree from the University of Western Australia is an Associate of the Securities Institute of Australia and is a member of the institute of Chartered Accountants. Mr Freeman is currently a non executive director for Liberty Gold NL and Ming Resources Plc.

Annual Meeting

Please note the following details for the AGM:

Date of Meeting - 30 November 2005
Time of Meeting – 2.30 pm
Place of Meeting – Shangri-La Hotel, Room Essex I
The Rocks, 176 Cumberland Street
Sydney, NSW

On behalf of the Board of Directors

For further information contact:

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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 2005

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	341	341
1.2 Payments for		
(a) exploration and evaluation	(243)	(243)
(b) development		
(c) production	(60)	(60)
(d) administration	(65)	(65)
(e) cash (advance to)/ applied by JV Operator	6	6
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	(4)	(4)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(22)	(22)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(f) prospects		
(g) equity investments	(1,341)	(1,341)
(h) other fixed assets	(8)	(8)
1.9 Proceeds from sale of:		
(i) prospects		
(j) equity investments		
(k) other fixed assets		
1.10 Loans from other entities	1,322	1,322
1.11 Refunds/(Payments) of Security Deposits	(300)	(300)
1.12 Cash recognised from acquisitions of subsidiaries	18	18
Net investing cash flows	(309)	(309)
1.13 Total operating and investing cash flows	(331)	(331)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	400
4.2 Development	
Total	400

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	803	1,111
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)	803	1,111

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			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

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	138,416,951	138,416,951		
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) 33 cents (1m)	Expiry date 31 Dec 06 10 August 06 31 May 06 18 Feb 07 2 March 07 19 Aug 2008 1 Dec 2008
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)	0			

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)	0	
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Mark Freeman

Company Secretary

Date: 31 October 2005

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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