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Market Release (*via electronic lodgement*)

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2006

- ❖ Golden Gate secures drilling rig for the Padre Island Project.
- ❖ Farm out to Pantheon exercised.
- ❖ Dunn-Peach #6 commenced production in February.
- ❖ Golden Gate's gross share of production averaged 1.9 million cubic feet per day for the quarter.

DRILL RIG SECURED & DRILL PROGRAM

During the quarter the Company announced that it had contracted Parker rig number 121 for its 2006 drilling programme. The rig specifications are such that it is capable of drilling all of the wells planned for Padre Island. The initial contract is for twelve months with options to extend for up to a further two years by six month intervals.

The rig is expected to arrive on location at Padre Island in June to commence drilling the first of a planned six well programme. The first well to be drilled is dependent on the timing of the receipt of final location approvals from the relevant authorities.

PROSPECT / WELL	COMMENTS	ANTICIPATED COMMENCEMENT DATE
Plum Shallow Development Well	Shallow Prospect	June 2006
Plum Deep*	Deep Prospect	July 2006
Wilson*	Shallow Prospect	August 2006
La Playa Shallow Development Well	Shallow Prospect	October 2006
Manzano*	Deep Prospect	November 2006
Murdock*	Deep Prospect	First Quarter 2007

* Operated by Golden Gate

To date Golden Gate's drilling record enjoys a success rate of over 71% and strengthens the Company's already high level of confidence in the up coming drilling programme. A similar level of success would result in a dramatic increase in an already solid production and income base.

FARMOUTS

All conditions precedent have been satisfied by Pantheon Resources Plc (listed on the London Stock Exchange) and a final acreage payment of US\$854,025 was paid subsequent to 31 March.

To earn its 25% working interest Pantheon will pay 33.33% of the costs of drilling an exploration well down to its planned total depth in each of the prospects. Once a well has reached its planned total depth and casing has been run Pantheon will only be required to bear further costs in proportion to its 25% working interest.

EXPLORATION

Dunn – Peach # 6

Location: Padre Island

Golden Gate: 10% interest

During this quarter the Dunn Peach #6 well was tied in to the sales gas line and is continuing to produce at a stabilized rate of 1.9 million cubic feet of gas per day and 6 barrels of condensate per day. Production tubing pressure remains steady at 2,150 psi. This is a very good result considering the shallow depth of the reservoir (less than 9,000 feet) and is within Golden Gates maximum pre drilling expectations for this structure.

WORKING INTEREST

Working interests in Padre Island are as follows:

	Golden Gate	Lodore	BNP et al	Pantheon
<u>Producing Fields</u>				
LaPlaya Shallow	35%	-	65%	-
Dunn Deep (new field producing from LaPlaya Deep #1)	35%	-	65%	-
LaPlaya Deep (zone shut in as used to produce Dunn Deep)	100%	-		-
Dun Peach # 6	10%	-	90%	-
West Bird	70%	-	30%	-
<u>Shallow Prospects (To approximately 10,500 feet)</u>				
El Mar	35%	-	65%	-
Manzano Shallow	35%	-	65%	-
Plum Shallow in leases containing 30% of the Structure)	10%	-	90%	-
Plum Shallow in leases containing 70% of the Structure)	35%	-	65%	-
Papaya	50%	-	50%	-
Lemon	30%	-	70%	-
Wilson	37.5%	37.5%	-	25%
Kingsway	37.5%	37.5%	-	25%
<u>Deep Prospects (from approximately 10,500 to 16,000 feet)</u>				
Plum Deep	37.5%	37.5%	-	25%
Manzano	37.5%	37.5%	-	25%
Murdock	37.5%	37.5%	-	25%
Lemonseed	22.5%	22.5%	30%	25%
Ultra Deep (Deeper than 16,000 feet)	35%	35%	30%	-

PRODUCTION

During the quarter Golden Gate's estimated net share of production from its USA operations was **123.1** million cubic feet of gas and **1,508** barrels of oil.

Based on current production rates Golden Gate's gross share of production from Padre Island is currently around **2.3** million cubic feet of gas and **22** barrels of oil per day. This represents a more than 7 fold increase over pre July 2005 production rates.

On behalf of the Board of Directors.

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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")

31 March 2006

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	1,246	2,149
1.2 Payments for		
(a) exploration and evaluation	(447)	(1,138)
(b) development	(561)	(561)
(c) production	(50)	(260)
(d) administration	(87)	(225)
(e) cash (advance to)/ from JV	501	366
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	10
1.5 Interest and other costs of finance paid	(107)	(111)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	500	230
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(f) prospects		
(g) equity investments (net of receivables and cash)	(207)	(1,539)
(h) other fixed assets		(8)
1.9 Proceeds from sale of:		
(i) prospects	135	688
(j) equity investments		
(k) other fixed assets		
1.10 Loans from other entities	(1322)	0
1.11 Refunds/(Payments) of Security Deposits	135	(213)
Net investing cash flows	(1,259)	(1,072)
1.13 Total operating and investing cash flows	(759)	(842)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(759)	(842)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	4,101	4,101
1.15	Costs of the Issue	(213)	(213)
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	3,888	3,888
	Net increase (decrease) in cash held	3,129	3,046
1.20	Cash at beginning of quarter/year to date*	1,080	1,111
1.21	Exchange rate adjustments to item 1.20	255	307
1.22	Cash at end of quarter	4,464	4,464

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	81
1.24	Aggregate amount of loans to the parties included in item 1.10	1,322

1.25 Explanation necessary for an understanding of the transactions

Remuneration of Directors

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	2,200
4.2 Development	
Total	2,200

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	4,464	1,080
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)	4,464	1,080

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.

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	150,143,950	150,143,950		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs		11,716,699	35 cents	35 cents
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)	48,951,369	28,466,369	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) 22 cents (3m) 22 cents (3.5m)	Expiry date 31 Dec 06 10 August 06 31 May 06 18 Feb 07 2 March 07 19 Aug 2008 1 Dec 2008 21 Nov 2009 1 Dec 2008
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>	0	
7.12	Unsecured notes <i>(totals only)</i>	0	

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

Finance Director/Company Secretary

Date: 28 April 2006

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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