

Quarterly

Report for the three months ended 31 March 2010

Share Price 3.6 cents

Shares on Issue 975,826,623

Market Cap \$A35m

Directors & Management

Mr Sam Russotti | Chairman

Mr Steve Graves | Managing Director

Mr Frank Petruzzelli | Director

Mr Chris Bowyer | Company Secretary

**Gas Price
(Henry Hub)** US\$4.24 MMBTU

Oil Price US\$85.17 BBL

Highlights

- Fausse Point successfully completed in mid January 2010 and to be brought into commercial production.
- Agreement reached to participate in new project at Silverwood.
- Agreement reached to participate in new project at Napoleonville.
- Entered into deeds of termination on remaining convertible note holders which reduced Company debt from \$6.5 million a year ago to \$170,000.

Production

- Golden Gate's average gross share of production is 110 bbls oil per day and 68 mcf of gas.
- Total gross share of production for the quarter was 10,006 barrels of oil and 8 million cubic feet of gas.

Corporate

- Share Purchase Plan successful raising \$6.5m after scaling back applications of \$9.5m.
- Private Placement of \$2m and note redemptions made during the quarter raising working capital and reducing debt.



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Louisiana

Fausse Point Project

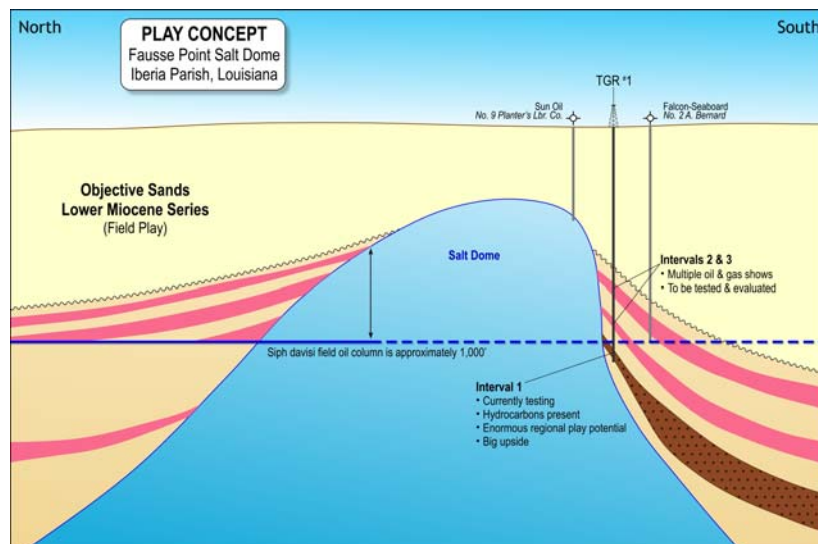
TGR Well # 1, Fausse Point Project, Iberia Parish, Louisiana, Operator 18% WI

Fausse Point reached its targeted depth of 8,475 feet in mid-January and recorded three separate gas and oil intervals starting at 7,000 feet. There had been numerous zones of interest across all three intervals. The lowest interval which extends over 300 feet included several zones of interest with some showing good permeability, porosity and oil/condensate in the sample cores.

Testing on the lowest interval began in early February with the Company announcing Mid February that it would be bringing the bottom interval onto commercial production after a stabilised flow rate had been achieved. It is estimated that production would commence at an approximate rate of 0.5 million cubic feet of gas per day. This rate of production may be increased after an initial period of production depending on the performance of the well/reservoir.

The completion of the production facility has been slightly delayed with production expected to commence in Mid May.

Further geoscience work is being conducted on the data from the initial well along with additional information including more seismic data on the Fausse Point salt dome. This work will provide a better indication of the potential size of the discovery and the best path to gauge and develop the overall commercial potential.



Analysis to date indicates that the lowest zone (8,370 feet) is possibly connected to a much larger hydrocarbon accumulation, and that this well has only just penetrated the edge of this larger accumulation. While this zone now being completed for production was not an original target of this well, it has the potential to represent a new play type.

The two primary target objectives of the well that were intercepted at the shallower depths and were hydrocarbon bearing will also be evaluated from the added seismic data and tested in due course.

Bullseye Project

The Company had announced plans to end limited production out of the Miogyp formation in Jumonville # 1 well and test the discovery of oil in the large Camerina section across the prospect. Further analysis and resulting changes to operational procedures have been successful in raising production from the Miogyp interval in the Jumonville # 1 well over the last several weeks. As a consequence, the partners in the Bullseye project have elected to keep oil and gas production going from the Miogyp interval in the Jumonville #1 well. Plans to test the Camerina will be dictated by the current oil production and continued financial benefits coming from the Jumonville # 1 well.

Jumonville #1 & #2 Bullseye Prospect, Iberville Parish, Louisiana, Operator 42.25% WI

The wells produced 23,677 bbl of oil and 11,653 mcf of gas for the quarter ending 31 March 2010.

Silverwood Project

On 1 February 2010 the Company announced that it had entered into an option to take up to a 50% working interest and operatorship in a new project, Silverwood, located in South Louisiana west of Fausse Point. On 3 March 2010 the Company announced that it had entered into an agreement with Augustus Minerals Limited ("Augustus") (ASX: AUJ) to participate in the Silverwood oil and gas prospect. Under the agreement Augustus would earn a 40% working interest in the prospect and GGP would retain 30% and operatorship.

Augustus will contribute an estimated US\$880,000 towards the dry hole cost of drilling the first well and an additional estimated US\$240,000 towards completion costs in the event of success. The Company's share of total dry hole costs for the first well is estimated at US\$110,000.

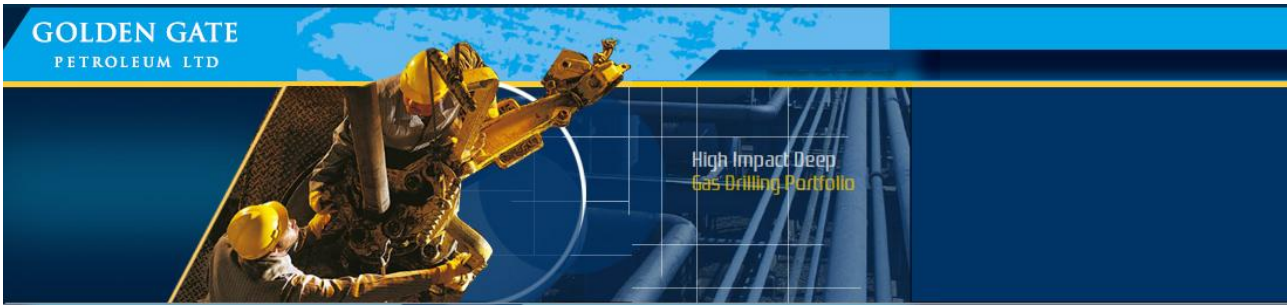
Silverwood has the potential to contain 7.4 million barrels of oil and 13.0 billion cubic feet of gas. The prospect is located under an existing field which produced 7.0 billion cubic feet of gas and over 800,000 barrels of oil on a fault closure. Two high quality sands have been identified; the primary target is the Vicksburg Sand and is mainly shallow oil (9,300 feet) and the deeper target (Cockfield) is oil and gas (11,600 feet).

The current plan is to drill a Vicksburg Sand test well adjacent to earlier wells that reached the Vicksburg Sand and flowed oil and gas to surface but mechanically were not prepared for the unique geo pressured environment known to be found in the Vicksburg Sand at Silverwood.

The potential oil resource of the Vicksburg Sand objective is estimated at 2.7 million barrels of oil and 2.7 billion cubic feet of gas. Average cumulative production per well is around 211,000 barrels of oil and 0.2 billion cubic feet of gas. Initial flow rates are estimated to be around the 200+ barrels of oil per day level although the over pressure environment may significantly increase initial flow rates.

The potential oil resource of the Cockfield objective is estimated at 4.7 million barrels of oil and 10.3 billion cubic feet of gas. An initial test well of the deeper Cockfield is planned as a second test well once the operational environment of drilling the Vicksburg Sand is fully understood.

The Silverwood exploration project adds another high impact exploration opportunity with near term upside to the current Fausse Point project and the planned Bowtie West project. These high impact exploration



wells which are relatively low cost provide good upside for GGP when combined with the current cash flow from Bullseye.

The first well is expected to begin drilling in June 2010.

Partners in the Silverwood Project are:

Augustus Minerals Limited (ASX Code: AUJ)	40.00% WI
Golden Gate Petroleum (ASX Code: GGP)	30.00% WI
Pass Petroleum LLC	30.00% WI

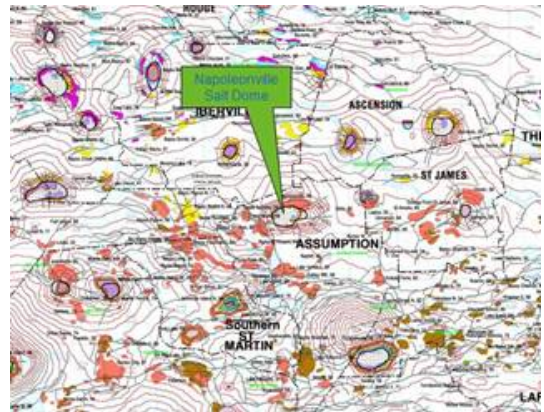
Napoleonville Salt Dome

On 5 March 2010 Golden Gate Petroleum Ltd (ASX: GGP) announced that it has entered into an agreement with Grand Gulf Energy Limited (ASX: GGE) ("Grand Gulf") to acquire a 15% working interest in the Napoleonville Salt Dome. Napoleonville is a new high impact oil and gas exploration and development project located onshore in South Louisiana and South of the Bullseye project. Golden Gate will pay 23% of costs to earn a 15% working interest with an entry fee of US\$300,000 payable to earn an interest in each 3 successive drillable prospect. Golden Gate will contribute an estimated US\$190,000 towards the dry hole cost of drilling the first well with an additional estimated US\$130,000 towards completion costs in the event of exploration success, along with similar contributions for the second and third well. Golden Gate will have the option to participate in subsequent three well programs on the same terms and can ultimately earn a 15% working interest over the entire dome.

Highlights

- The Napoleonville Salt Dome has the potential to contain 520 billion cubic feet (BCF) of gas and 4.5 million barrels of oil (MMBO) from over 60 prospects and leads which has been identified so far from Grand Gulf's proprietary 50 square mile 3D seismic survey. The agreement with Grand Gulf includes access to the entire Napoleonville potential.
- Preparations have begun to drill the first three well program with the initial well expected to spud in mid May 2010. The first three wells are targeting a total of 9.2 BCF of gas and 1.6 MMBO of oil at shallow depths from 5,000 feet to 10,000 feet with over half the targeted potential classified as low risk proven undeveloped reserves (PUD's).
- The Napoleonville Salt Dome has historically produced 188 billion cubic feet of gas and 20.2 million barrels of oil. Multiple high quality targets have been identified from the recent 50 sq mile 3D seismic survey and as the technical work continues, it is likely to generate significantly more prospect and PUD opportunities. The primary targeted sands are Tex W, Big Hum, Operc, Cris R II – VII, Marg Vag, Camerina and Miogyp with sands commencing at 4,000ft to 14,000ft.
- As of February 2010, approximately 5,700 acres of leases had been exercised from Grand Gulf and partners 35,300 optioned acres pertaining to the seismic shoot. Relationships with the various landowners previously under option have been maintained in preparation to lease newly developed prospects as they advance.
- Napoleonville forms part of GGP's strategy to invest in low-cost, high impact, known hydrocarbon bearing areas which in the Company's view are moderately low risk in onshore Louisiana or Texas

where its knowledge base and operational experience has been established. By adding the Napoleonville prospect to our existing projects—Fausse Point, Bowtie, Silverwood and Bullseye, we have created a diversified mix of high quality prospects providing the best opportunity to achieve long term success

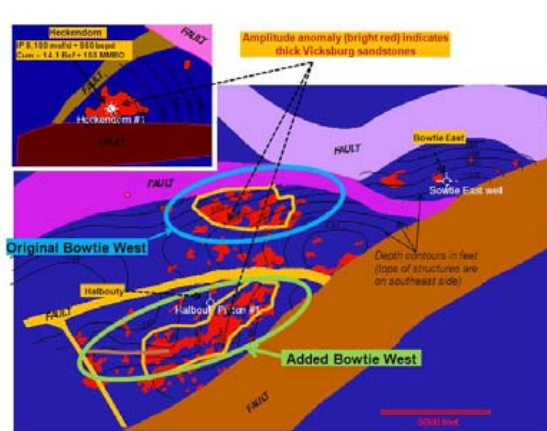


East Texas

Bowtie West #1, Brazoria & Matagorda County, Tx, Non-Operator 18% WI.

The Bowtie West prospect is expected to commence drilling operations sometime in late May/early June after unseasonal wet weather delaying the earlier planned drilling date.

The well, Sugar Valley #1, will be drilled to an approximate depth of 13,000 feet to test the Vicksburg sandstone reservoir known as the Tex-2 formation. The Company is paying 20% of the drilling costs to earn an 18% working interest.



The Bowtie prospect is a moderately risked exploration prospect with prospective reserves estimated at over 50 billion cubic feet of gas and around 1.7 million barrels of oil. Analogue producing wells exist nearby with initial production rates greater than 8 million cubic feet of gas per day and over 500 barrels of condensate per day and have cumulative production of more than 10 billion cubic feet of gas.

Projects Not Listed

Projects that are not mentioned in this report have had no significant results during the present quarter or results are not yet available.

Production

for the quarter ended 31 March 2010

During the quarter Golden Gate's estimated gross share of production from its USA operations was 10,006 barrels of oil and 8 million cubic feet of gas. At current oil and gas prices net revenue to GGP is estimated at A\$170,000 per month.

Corporate

Since 30 June, 2009 GGP has undergone a significant change in its financial position. Debt and Creditor obligations have been reduced by over \$12 million from repayments coming out of cash flow and equity issues. Almost all the \$6.5 million of convertible notes have been extinguished and other creditor obligations significantly reduced. The recent equity raises and the Share Purchase Plan is providing cash to fund the aggressive drilling program over the next six months.

Share Purchase Plan

On 16 March 2010 the Company announced it was undertaking a Share Purchase Plan ("SPP"). The offer opened on 30 March 2010 and closed 13 April 2010. The SPP was also underwritten up to a total of \$2,500,000.

The SPP proved popular and the Company received applications totaling \$9.5 million from 1,286 eligible shareholders. As a result the Company was able to raise the maximum it was able to under the SPP rules of \$6.5 million. Applicants had their allocation scaled back to 68.5% of their application. There was also no requirement to utilize the underwriting agreement that the Company had in place.

Private Placements and Convertible Note Redemption

Private Placement

On 16 March 2010 the Company announced a private placement of 59,500,000 ordinary fully paid shares at 3.5 cents each together with a 3 for 4 free attaching options exercisable at 8 cents on or before 31 August 2010 to raise \$2,082,500 before costs. The shares were allotted at the end of March and the options were allotted in April.

Convertible Note Redemptions

The Company announced on 5 February 2010 that it entered into deeds of termination with the remaining note holders of the convertible notes issued 11 March 2009 to extinguish their notes to both cash and equity. The issue of the shares was approved by shareholders at the General Meeting held on 12 March 2010 and the shares were issued on 15 March 2010. The cash component was settled in early April.

General Meeting

The Company announced the calling of a general meeting which was to be held on 6 May 2010 at 2:30pm at 566 Elizabeth Street, Melbourne.

For further information contact:

Steven Graves
Managing Director
Phone +1 805 469 4656

Golden Gate is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region of the USA.

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr Mark Decker, Geologist (BS. Geology), with over 34 years relevant experience within oil and gas sector.

Forward Looking Statements

This announcement contains forward looking statements that are subject to risk factors associated with oil and gas 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.

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")

31st March 2010

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	1,322	5,119
1.2 Payments for		
• exploration and evaluation	(1,800)	(4,069)
• development	(2,004)	(6,251)
• production	(622)	(1,572)
• administration	(203)	(695)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	9
1.5 Interest and other costs of finance paid	(385)	(1,248)
1.6 Income taxes paid		
1.7 JV Trust Accounts	938	2,338
Net Operating Cash Flows	(2,751)	(6,369)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
• prospects		
• equity investments (net of receivables and cash)		
• other fixed assets		
1.9 Proceeds from sale of:		
• Acquisition of project asset	(321)	(321)
• equity investments		
• other fixed assets		
1.10 Loans from other entities		
1.11 Refunds/(Payments) of Security Deposits		
Net investing cash flows	(321)	(321)
1.13 Total operating and investing cash flows	(3,072)	(6,690)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(3,072)	(6,690)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,020	10,437
1.15	Costs of the Issue	(128)	(717)
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(567)	(2,183)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	2,325	7,537
	Net increase (decrease) in cash held	(747)	847
1.20	Cash at beginning of quarter/year to date	2,946	1,382
1.21	Exchange rate adjustments to item 1.20	(155)	(185)
1.22	Cash at end of quarter	2,044	2,044

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	179
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting fees and 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

On 15/3/10 the Company issued 56,307,302 shares in satisfaction of final settlement on remaining 5 March 2009 convertible notes as approved by shareholders on 12 March 2010.

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	170	170
3.2 Credit standby arrangements	0	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,300
4.2 Development	200
Total	1,500

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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,044	2,946
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,044	2,946

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	Silverwood Proj Bullseye Proj	Held via subsidiary Held via subsidiary	0 33.25	30 42.25

+ 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	764,366,633	764,366,633		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	102,300,000 56,307,302		3.5 cents 3.1046 cents	3.5 cents 3.1046 cents
7.5 *Convertible debt securities (description)	Number 2,437,400	⁺ Class	Conversion \$ 7 cents (2.4m)	Maturity 4 August 2010
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	15,538,891		9 cents (15.5m)	4 March 2014
7.7 Options (description and conversion factor)	201,246,070	187,346,070	Exercise price 8 cents (187.3m) 35 cents (13.3m) 40 cents (0.6m)	Expiry date 31 August 2012 30 October 2010 31 August 2011
7.8 Issued during quarter	13,400,002		Nil	Nil
7.9 Exercised during quarter	Nil			
7.10 Cancelled during quarter	Nil			
7.11 Debentures (totals only)	0			
7.12 Unsecured notes (totals only)	0			

+ See chapter 19 for defined terms.

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.

Chris Bowyer

Company Secretary

Date: 30 April 2010

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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+ See chapter 19 for defined terms.