

Quarterly

Report for the three months ended 30 June 2010

Share Price 2.8 cents

Shares on Issue 975,826,623

Market Cap \$A27.3m

Directors & Management

Mr Sam Russotti | Chairman

Mr Steve Graves | Managing Director

Mr Frank Petruzzelli | Director

Mr Frank Brophy | Director

Mr Chris Bowyer | Company Secretary

**Gas Price
(Henry Hub)** US\$4.53 MMBTU

**Oil Price
(WTI)** US\$75.59 BBL

Highlights

- On 29 July 2010 the Company announced it had entered into a binding agreement for the purchase of a 100% WI in a producing oil and gas field in the Permian Basin in Texas, USA.
- The Dugas & Leblanc #1 Well at Napoleonville spudded on 22 June 2010. The well reached TD and has logged over 120 feet of net pay (both oil and gas) over three sands. The well is currently being deepened to test for further productive intervals followed by testing.
- Richardson #1 Well at Silverwood spudded on 19 July 2010.

Production

- Golden Gate's current average gross share of production for the quarter was 112 bbls oil per day and 87 mcf gas.
- Total gross share of production for the quarter was 10,108 barrels of oil and 8.7 million cubic feet of gas.

Corporate

- Company extinguished the last of its convertible notes and as at 30 June 2010 had \$7.6 million cash in bank.



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Permian Basin Prospect

The Company announced on 29 July 2010 that it had entered into a binding agreement with Arturus Capital Ltd (ASX: AKW) for the purchase of 100% of the assets held by Arturus through its wholly owned subsidiary Arturus Energy LLC in a producing oil and gas field plus nearby leased acreage totalling 8,806 gross acres. The Assets are located in the prolific hydrocarbon producing Permian Basin in Reagan and Irion County, Texas.

The primary benefits of this Asset purchase to GGP shareholders include:

- GGP will be reporting oil and gas proven reserves (P1). Based on a recent reserve report of the Asset, there are reserves of 4.358 million barrels of proven oil reserves (mostly proven undeveloped) and 11.542 billion cubic feet of proven gas reserves.
- The oil and gas assets present low risk development wells and will provide a balanced portfolio offsetting GGP's current higher risk exploration projects. Ultimately this new Asset will provide an ideal funding source for continuing high reward exploration plays and reducing the dependence on share equity.
- The Asset's reserve study identified 48 producing wells (not all presently on production) with potential to increase production in an upper zone by re-completing each well. Currently, there is approximately 40 barrels per day of oil production and there is the potential to significantly increase production at low cost from the existing well bores.
- In addition to the existing producing wells, the reserve study identified 69 new potential well locations. Each well would cost approximately US\$1.5 million to drill and complete and is estimated to recover over 100,000 barrels of oil equivalent. The oil is high quality and includes very rich gas that also contains valuable gas liquids.
- By acquiring a 100% working interest with a 75% net revenue interest in the very large 8,806 acre leasehold position, there is significant upside from probable resource recoveries well beyond the reserve study. Estimates from existing drilling programs in the region indicate that each 640 acre section (there are approximately 14 sections in the leaseholding) has the potential to recover up to 1.5 million barrels of oil equivalent.
- Each well bore is likely to exhibit multi-pay intervals already producing in and around the leasehold position from 6 primary and secondary oil and gas bearing zones at shallow depths from 5,500 feet to 10,000 feet. Success rates from drilling in the area are over 99%.
- The onshore Permian Basin has a long history of oil and gas development and has received a renewed interest from both capital providers and industry participants due to the current offshore drilling ban in America. Holding a 100% working interest position provides GGP the opportunity to partner with companies looking onshore for new reserves to offset the long expected delays in permitting new wells particularly in the Gulf of Mexico. Discussions have already begun with one potential industry partner.



GGP will be purchasing the 8,806 acre leasehold position and the producing wells by issuing 146,000,000 listed ordinary fully paid shares (Share Component) in GGP along with a payment of US\$3.5 million. An initial US\$500,000 refundable deposit is to be paid and the remaining balance of US\$3 million is to be paid with a payment of US\$1 million for the producing assets by mid August and the balance due within 3 months.

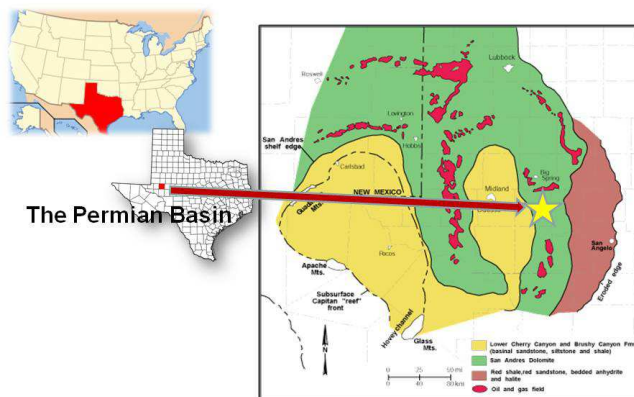
The settlement of the Agreement to purchase the asset is subject to and conditional on:

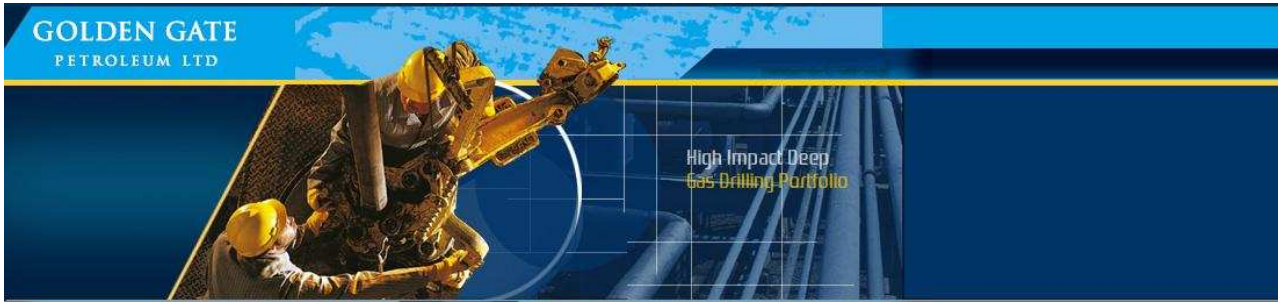
- the completion of legal and technical due diligence within 14 days by GGP on the Assets;
- execution of a new agreement on terms satisfactory to GGP with a third party project development company;
- all necessary regulatory and shareholder approvals including as required under the ASX Listing Rules and the Corporations Act; and
- Arturus receiving the necessary approvals to in-specie the Share Component to its shareholders.

The Board of Directors of GGP believes the acquisition of such a significant proven reserve and leasehold position under favourable terms will provide the Company with the foundation for the long term development of a low risk oil and gas production program.

The project's cash flow will assist with funding our existing exploration program where high rewards and risks need a strong and sustainable funding base. The current portfolio of exploration projects will be well balanced with a low risk cornerstone development program that can significantly help grow the company from internal resources on a long term basis.

THE PERMIAN BASIN





Fausse Point Prospect

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

The well produced 13 bbl's of oil and ~5,000 mcf of gas during testing of the lowest interval for the quarter ended 30 June 2010, production commenced on 7 June 2010.

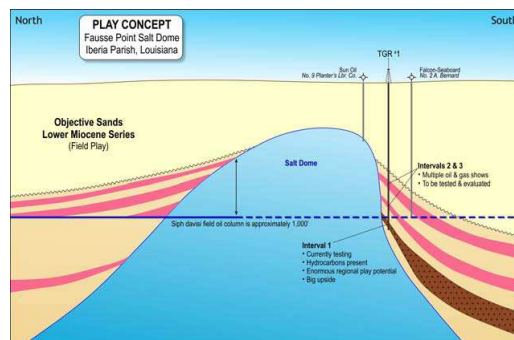
The drill site has been converted to a production facility with the construction of a permanent pad. Production equipment was moved on site and assembled in order to commence production from the initial interval tested at 8,370 feet. The road to the production facilities was upgraded and made permanent and has been designed to allow for access to a second drill site for a follow up well to the initial discovery.

As announced the Company completed numerous testing programs on the lowest interval (8,370 feet) with sufficient data having now been collected on flow rates, pressures and other information. Analysis to date indicates that the lowest zone is possibly connected to a much larger hydrocarbon accumulation, and that this well may have only just penetrated the edge of this larger accumulation. This zone was not an original target of this well and it has the potential to represent a new play type.

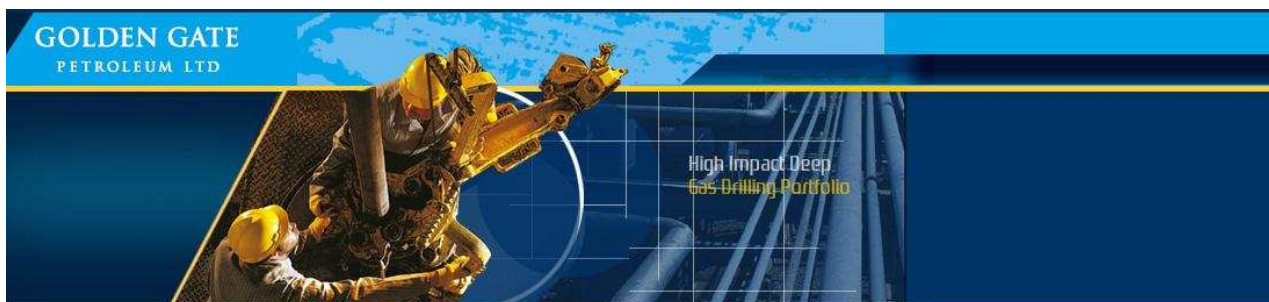
The reprocessing of seismic data over the Fausse Point Salt Dome has commenced to better understand the extent and potential of the lower sands and will assist with the location of an appraisal well.

The primary target objectives of the well that were intercepted at the shallower depths and were hydrocarbon bearing will now be tested. Persisting with testing this deep zone before moving up the hole and testing the numerous other zones is based on our expectation that we may have discovered something substantial in a new play type in this deep section that we need to understand.

Fausse Point has been an extremely interesting well in that it has discovered hydrocarbons over multiple levels which is extremely encouraging, however patience is required to fully understand each of these zones so as to optimise any appraisal drilling operation.



Partners in the project are:



Golden Gate Petroleum Ltd (ASX code: GGP)	18% WI
Verus Investments Limited (ASX code: VIL)	45% WI
Pass Petroleum L.L.C.	27% WI
Oakmont Minerals	10% WI

Bullseye Prospect

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

The wells produced 23,919 bbl of oil and 18,564 mcf of gas for the quarter ended 30 June 2010.

The Company had announced plans to end limited production out of the Miogyp formation in the 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 were successful in raising production from the Miogyp interval in the Jumonville #1 well. As a consequence, the partners elected to keep oil and gas production going from the Miogyp interval in the Jumonville #1 well. As at the end of June, the Jumonville #1 Well continues to maintain production from the Miogyp interval. Plans to test the Camerina will be dictated by the current oil production and continued financial benefits coming from the Jumonville #1 well.

Partners in the Project are:

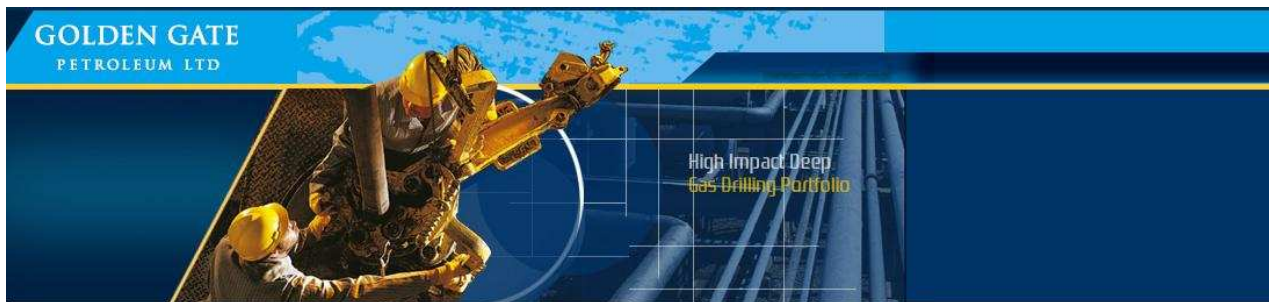
Golden Gate Petroleum (ASX: GGP)	42.25% WI
Eastern Advisors	12.00% WI
Pantheon Resources Plc	11.25% WI
IB Daiwa Corporation	8.00% WI
Quest Petroleum NL (ASX: QPN)	5.00% WI
Other Partners	21.5% WI

Silverwood Prospect

Richardson #1 Well, Silverwood Prospect, Jefferson Davis Parish, Louisiana, Operator 30% WI

The Richardson #1 Well spudded on 19 July 2010. Drilling has currently reached a depth of 4,489 feet with a target depth of 9,500 feet.

The Silverwood Prospect 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.

Partners in the Silverwood Prospect are:

Golden Gate Petroleum (ASX Code: GGP)	30% WI
Augustus Minerals Limited (ASX Code: AUJ)	40% WI
Pass Petroleum LLC	30% WI

Napoleonville Salt Dome Prospect

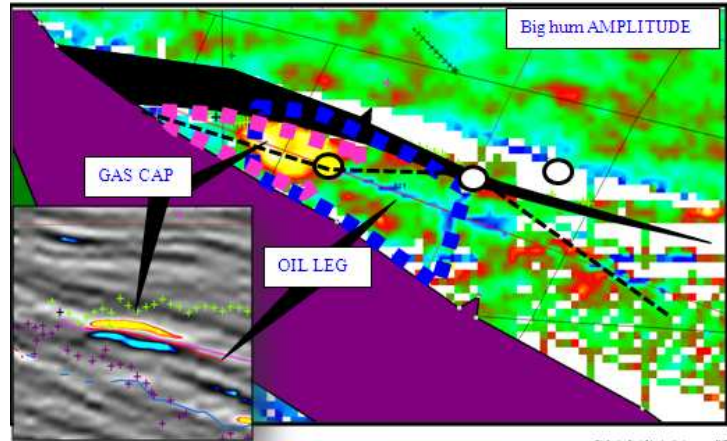
Napoleonville – Dugas & Leblanc #1 Well, Assumption Parish, Louisiana, 15% WI

Subsequent to 30 June, the Dugas & Leblanc #1 Well has been completed to 7,802 feet, the drilling rig has been released and a completion rig is expected to arrive on 26 Jul 2010. Following detailed interpretation of the Paleo result of the well it has been confirmed that the 3 zones of interest that were identified whilst logging the well are Big Hum sands.

The Joint Venture has decided to deepen the well to determine the presence of Operc sands. The completion rig will be able to conduct the deepening exercise and logging will be undertaken to determine the commerciality of any Operc sands identified. If these sands are determined to be commercial, a development well will be required to commercialise these lower sands as the reduced bore size will be inadequate in this well.

Following this exercise, testing of the identified 3 sands will commence. Electric log results of the Dugas & Leblanc #1 Well indicated over 120 feet of net pay (both oil and gas) over three sands.

The Dugas & Leblanc #1 well is testing the Big Hum and Operc Sands with an amplitude anomaly targeting 1.2 MMBO and 3 BCF gas. If the well is successful initial flow rates are expected to be around the 200+ barrels of oil per day and 2,000 MCF per day.



Partners in the Dugas & Leblanc #1 Well are:

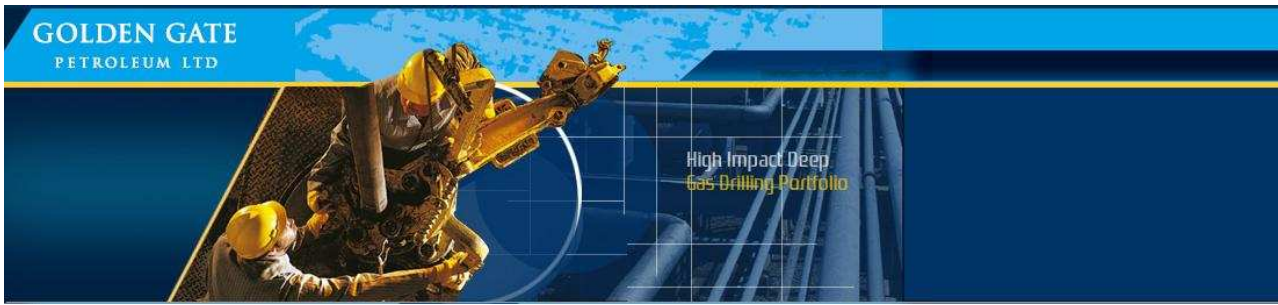
Grand Gulf Energy Ltd (ASX: GGE)	39.50% WI
Golden Gate Petroleum Ltd (ASX: GGP)	15.00% WI
Other partners	45.50% WI

Napoleonville –#2 Well, Assumption Parish, Louisiana, Operator 15% WI

The Company has been appointed Operator for Well #2. Preparations are well advanced and the spud date is anticipated to be mid August. The second well is testing the Operc C and Cris R III Sands as primary objectives with 300,000 barrels and 1.2 BCF of gas classified as a PUD with further upside in secondary exploration objectives in the Marg A and Cris R I of 300,000 barrels of oil and 1.2 BCF of gas. If the well is successful initial flow rates are expected to be around the 200+ barrels of oil per day and 500 MCF per day. Total dry hole costs are estimated at US\$1,100,000 and GGP’s share is US\$253,000.

Napoleonville – #3 Well, Assumption Parish, Louisiana, Operator 15% WI

The Company has been appointed Operator for Well #3. The third well is testing a primary objective in the Big Hum sand with 5 BCF classified as a PUD and targeting further exploration upside objectives in the Tex W of 100,000 barrels oil. If the well is successful initial flow rates are expected to be around the 5,000 MCF per day and 100+ barrels of oil per day. Total dry hole costs are estimated at US\$900,000 and GGP’s share is US\$207,000.



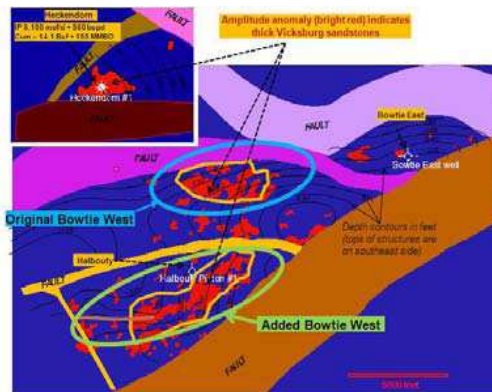
Bowtie Prospect

Sugar Valley #1 Well , Bowtie Prospect, Brazoria and Matagorda County, Texas, Non-Operator 18% WI

The Sugar Valley #1 Well has been delayed as work continues on the land agreements where certain ownership transfers from many years ago need to be perfected following standard procedures. This is not uncommon for Texas, however, it does delay drilling of this well. Once all land agreements are completed, we will be able to update the market of the new drilling date. At this time, we still expect it to be by December 2010.

The well 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 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 cumulative production of more than 10 billion cubic feet of gas.



Padre Island

The current operator at Padre Island is in bankruptcy. Golden Gate is a creditor to the proceedings and continues to monitor the events as the matter is addressed by the Courts.

Production for the Quarter ended 30 June 2010

During the quarter Golden Gate's estimated gross share of production from its USA operations was 10,108 barrels of oil and 8.7 million cubic feet of gas. At current oil and gas prices net revenue to GGP is estimated at A\$170,000 per month.

For further information contact:

Chris Ritchie
Financial Controller
Phone: +61 3 9349 1488

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")

30th June 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	901	6,020
1.2 Payments for		
• exploration and evaluation	(594)	(4,662)
• development	(85)	(6,337)
• production	(494)	(2,067)
• administration	(231)	(926)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	13	22
1.5 Interest and other costs of finance paid	(4)	(1,252)
1.6 Income taxes paid		
1.7 JV Trust Accounts	382	2,720
Net Operating Cash Flows	(112)	(6,482)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
• Acquisition of project asset	(951)	(1,272)
• equity investments (net of receivables and cash)		
• other fixed assets		
1.9 Proceeds from sale of:		
• prospects		
• equity investments		
• other fixed assets		
1.10 Loans from other entities		
1.11 Refunds/(Payments) of Security Deposits		
Net investing cash flows	(951)	(1,272)
1.13 Total operating and investing cash flows	(1,063)	(7,754)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(1,063)	(7,754)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	6,554	16,991
1.15	Costs of the Issue	(373)	(1,090)
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(171)	(2,354)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	6,010	13,547
	Net increase (decrease) in cash held	4,947	5,793
1.20	Cash at beginning of quarter/year to date	2,044	1,382
1.21	Exchange rate adjustments to item 1.20	595	411
1.22	Cash at end of quarter	7,586	7,586

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	139
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

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	0	0
3.2 Credit standby arrangements	0	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	200
4.3 Production	500
4.4 Administration	200
Total	1,700

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	7,586	2,044
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	7,586	2,044

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			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased

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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	975,826,623	975,826,623		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	211,459,990	211,459,990	3.1 cents	3.1 cents
7.5 *Convertible debt securities (description)	Number	⁺ Class	Conversion \$	Maturity
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	2,437,400	Con note	0.07	4/08/10
7.7 Options (description and conversion factor)	245,871,071	231,971,071	Exercise price 8 cents (231m) 35 cents (13.3m) 40 cents (0.6m)	Expiry date 31 August 2012 30 October 2010 31 August 2011
7.8 Issued during quarter	44,625,001	44,625,001	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: 30th July 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.