

Quarterly Activities Report For the three months ended 30 June 2011

COMPANY INFORMATION

Golden Gate Petroleum Ltd
ABN 34 090 074 785

COMPANY DIRECTORS

Steve Graves – Executive
Chairman
Frank Petruzzelli – Director
Frank Brophy - Director

MANAGEMENT

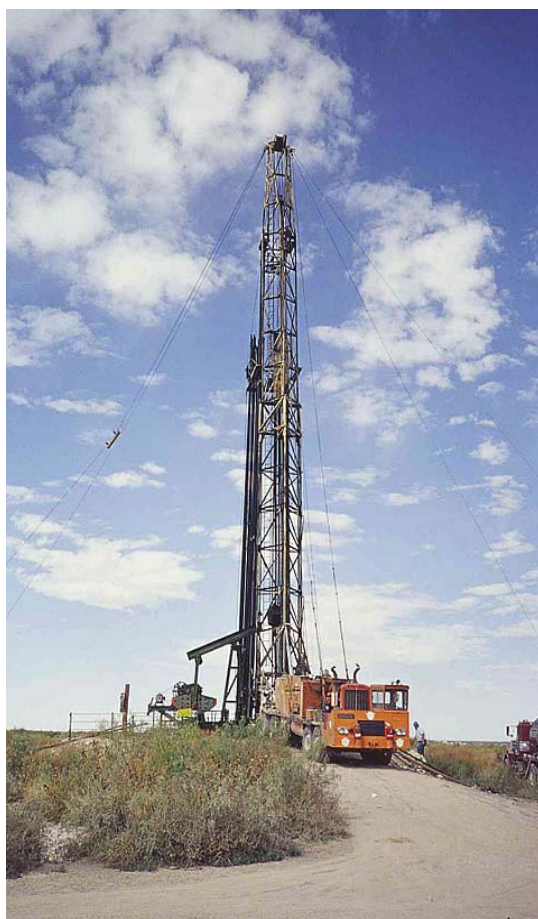
Chris Ritchie – Financial
Controller
Chris Bowyer - Company
Secretary

STOCK EXCHANGE LISTING

Australian Stock Exchange
ASX Code: GGP

Current Shares on Issue:
1,511,820,908

Market Capitalisation as at 28
July 2011 based on a share price
of \$0.01
AUD \$ 15.1 million



Highlights

* The first two wells have been surveyed and permitted at the Permian Basin project and drilling is expected to commence in the third quarter of 2011.

* A new project, the Shallow Laurel Ridge (Huth) prospect was announced in June 2011 and drilling is expected to commence in August 2011.

* Dugas & Leblanc #3 spudded in April 2011 and commenced production in July 2011. Production rates have increased substantially during July.

* An appraisal side-track well at Fausse Point was announced in June 2011 and drilling is expected to commence in the final quarter of 2011.

* Additional funding of AUD1.5 million was secured during June 2011 through the issue of Convertible Notes.

* A term sheet for an AUD 15 million, 3 year Equity Financing Facility was signed in July 2011 with Roswell Capital Partners.

Production for the Quarter

Well	Total Production		GGP Share	
	Oil BBL	Gas MCF	Oil BBL	Gas MCF
Jumonville #1	2,340	8,642	1,269	4,688
Jumonville #2	4,664	14,879	2,530	8,072
Richardson #1	393	-	334	-
Dugas & Leblanc #2	1,236	44,700	185	6,705
	8,633	68,221	4,318	19,465

During the quarter the Company's estimated gross share of production was 4,318 barrels of oil and 19.5 million cubic feet of gas. At current oil and gas prices net revenue to the Company is estimated at USD 164,000 per month.

Permian Basin Project (Wolfberry Trend)

Since purchasing 100% of the leaseholds held by Arturus Capital Ltd (ASX: AKW) through its wholly-owned U.S. subsidiary Arturus Energy LLC totaling 8,806 gross acres in Reagan and Irion County, Texas, GGP through its wholly owned US subsidiary, Cathie Energy Texas LLC, has been gearing up for a development program designed to provide the most effective use of this large hydrocarbon resource.

Overall, preliminary research work has been completed; the initial ten drill sites selected; the first two well locations surveyed with drilling permits filed and expected rig contracting shortly. Subject to rig availability, the first well is planned for the third quarter.

Specific activities to date have included:

- A detailed study of the four leases totaling 8,806 acres, the depths and intervals included in each lease and the optimum strategy to maximize the development of the oil and gas potential of each lease and interval.
- Research into the various fracture stimulation completion programs currently being offered by Halliburton, Schlumberger and others in order to maximize the eventual production at the lowest cost.
- Review of new approaches to hydrocarbon extraction including horizontal drilling where vertical well design is not available or practical.
- Selection of the initial ten drill sites on acreage positions where all the geologic intervals are under lease and the most flexible approach to development is possible.
- Surveying the initial two drill sites and moving forward with permitting, well plans, costings, rig options and completion program selection.
- Adding new staff to complement the existing base of people and further grow as the project moves into a more active drilling phase.
- Preparations to initiate a reserve study to fully comprehend the extent of the reserve base included within the four leaseholds.
- Timing of the project's initial phase of development has been extended in order to fully understand the evolving techniques and programs being employed in the very active Permian basin. The original plan had expected that initial drilling could start by June of this year. Drilling is now expected to start in the third quarter so as to assure that the best programs are in place to develop the leaseholds.

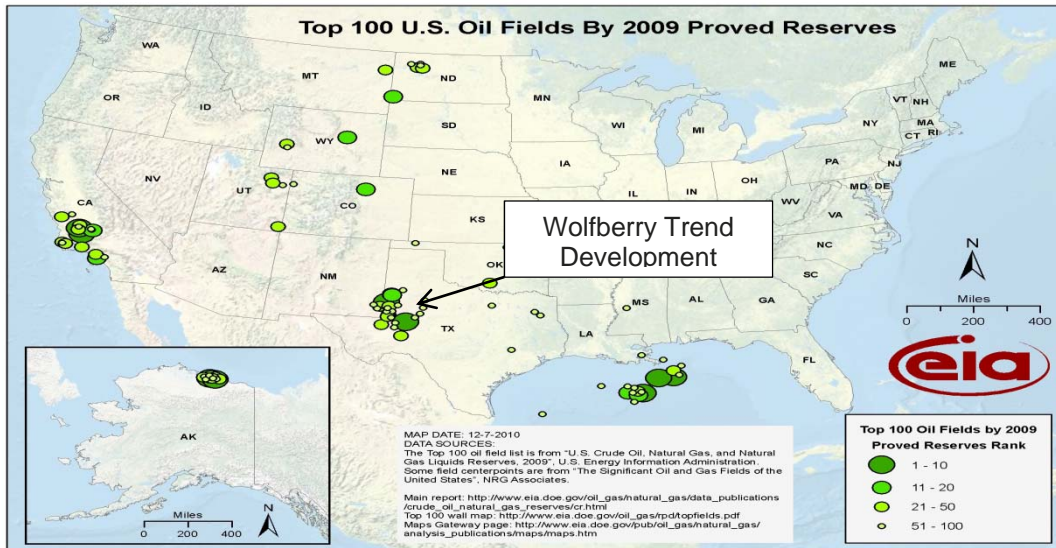
In addition, challenges to certain leasehold positions have been presented. These challenges involve certain legal matters that originated from earlier disclosed events. In reference to these challenges, the Purchase Agreement of the four leaseholds provides certain protections or indemnities by AKW from legal actions or overriding royalty interests claims which remained outstanding at closing. Progress is being made in overcoming the overriding royalty interest claims and having legal matters resolved or determined.

For clarification purposes, the Wolfberry Trend Development Project refers to our leasehold position in the Permian Basin. Several potentially producing formations within our acreage are commonly referred to collectively as the Wolfberry Trend. The formations covered by our leases vary by lease and by tract within those leases.

Our earlier reference to a 75% net revenue interest in the leasehold position is the net position after leasehold royalties and resolution of the overriding royalty interest claims or indemnity if such claims are not resolved.

Compelling economics and terms indicate potential oil recoverable based on in ground value of over 10 times the current market cap of the Company.

There are active drilling programs in surrounding lease positions with over 90 new wells in the last three years and 40 new permits in 2011.



This project is a relative low risk development with a less than 1% dry hole risk. Costs have been well-defined from hundreds of wells being drilled and completed in the Wolfberry. USD \$1.5 million per well including multi staged stimulating (fracing) has been confirmed. High density well spacing potential has been proven on adjoining acreage and elsewhere.

Cash flow is expected within 6 – 8 weeks from drilling / stimulation completions and the project is expected to have pay back periods of less than 2 years based on USD \$80 per barrel of oil and USD 4.50 per MCF of gas with prices accelerating at 5% per year.

It is expected that the project's strong cash flows can self-fund the development project after the initial drilling phase.

Bullseye Project

The Company has entered into a new prospect at Bullseye called the Shallow Laurel Ridge Prospect (SLR Prospect). The SLR is comprised of the mineral rights down to 11,000 ft. which contains the producing zone at 10,100 ft. (the Huth Sand). The Huth Sand has produced over 2.3 million barrels of oil and in excess of 2.5 billion cubic ft. of gas.

Based on 3D seismic review and recent log indicators, there may be significant amounts of recoverable oil remaining in the Huth Sand with 4 locations to be drilled. The Huth Sand has averaged 291,000 barrels of oil from the 8 wells produced from the interval.

GGP has acquired the rights to a 20.6% working interest after paying 25% before casing point in the first two wells. Leased acreage covers 910 net acres with a 72.0% net revenue interest. Kindee Oil & Gas, Louisiana (Kindee) will be the operator and will handle the production once a successful well is completed.

Initial daily production rate is estimated at 100 to 200 barrels of oil equivalent (mostly oil). The oil is a high gravity (38 API gravity). Drilling and completion of the initial SLR well is estimated to cost USD\$ 1.0 million for the dry hole with the drilling rig provided on a fixed turnkey price. Completion costs are approximately USD\$580,000.

The first well location has been selected. Drill site preparations have been initiated and final permitting is close to completion and a drilling contract with Energy Drilling has been entered into. The initial well is planned to commence drilling operations in August. GGP's net cost to participate in the initial well thru completion is approximately \$250,000 in net cash after offsets for services provided. It is expected that a successful well will have an estimated payout of less than six months.

Huth Sands are a combination structure and stratigraphic traps. The Huth interval is above the deeper Camerina, Miogyp and Cib Haz intervals where GGP already has the mineral rights. At Bullseye, leases are depth severed and GGP does not have the mineral rights to the shallower prospects.

The 10,100 ft. Huth Sand has permeability's in the 250 to 900 md range; porosities of 25 to 30% and is normally pressured with a GOR of 1100 to 1. The prospect trap as covered by 3D is a 4 way closure bounded by a stratigraphic pinch out.

Partners in the Bullseye Project are:

Jumonville #1 & Jumonville #2

Shallow Laurel Ridge Huth

Company

WI

Company

WI

Golden Gate Petroleum Ltd	54.25%
Pantheon Resources Plc.	11.25%
Verus Investments Ltd (ASX:VIL)	10.00%
IB Daiwa Corporation	8.00%
Quest Petroleum ML (ASX:QPN)	5.00%
Other Partners	11.50%

Golden Gate Petroleum Ltd	20.6%
Other Partners	79.4%

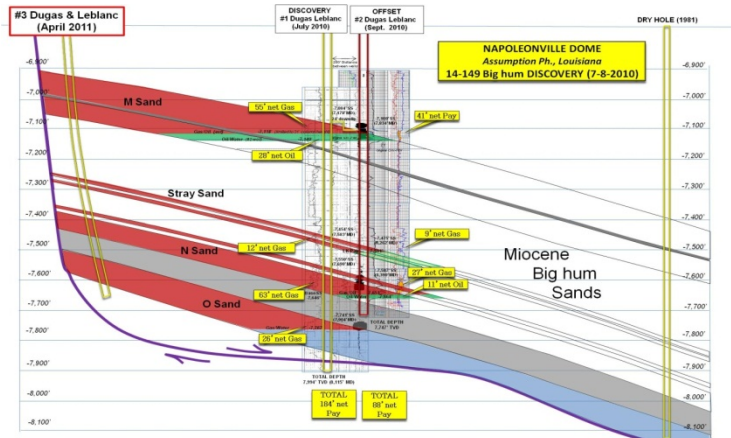
Napoleonville Project

Dugas & Leblanc #2 Well

On 9 June 2011, the operator advised that whilst attempting to re-complete up the hole an obstruction occurred in the well bore. Unfortunately the well bore was not able to be recovered at depth and will now be used exclusively as a salt water disposal well. The reserves in the “M” sand are expected to be recovered completely by the updip #3 wellbore.

Dugas & Leblanc #3 Well

The Dugas & Leblanc #3 well spudded on 16 April 2011 and was placed on production on 19 July 2011 at an initial rate of 1,500 mcf/d in the 10ft “Stray B” sand on a 10/64th inch choke.



During July 2011, production rates have increased to over 4,000 mcf/d on a 16/64th inch choke. In addition the well was producing 30 – 35 barrels of oil per day with no water production. .

The well is producing from the 10ft “Stray B” sand and will be drawn down as quickly as possible in order to move to the “M” sand.

Following a reserve review, our partner Grand Gulf Energy has revised its estimated hydrocarbon potential in the M sand as follows:

	Oil (BBL)	Gas (MCF)
Projected Recoverable Reserve	400,000	1,200,000

The reserve potential of the M sand is expected to increase with reservoir performance data. Our partner Grand Gulf Energy is expecting flow rates in the order of 300 - 400 bbls per day with around 800-1,000 mcf/d.

Partners in the D&L#3 well are:

Company	WI
Grand Gulf Energy Ltd	39.4%
Golden Gate Petroleum Ltd	15.0%
Other Partners	45.6%

Dugas & Leblanc #1 Well

The Operator's insurers have paid USD \$ 18.5 million toward the blowout costs of the Dugas & Leblanc #1 well. The Company has paid its deductible to its own insurers and does not expect any further exposure.

Fausse Point Project

On 14 June 2011 the Company advised that an appraisal well was to be drilled at Fausse Point as a side-track to the TGR #1 well targeting a potential 200 acre hydrocarbon accumulation over two primary intervals up-dip from the original well. The fault block to be drilled has no previous penetrations of the targeted pay interval and is estimated to contain up to 20BCF (3.5 mm BOE) of recoverable gas on an un-risked basis.

The new well will be drilled as a deviated well from the existing pad approximately 9.950 ft. with targeted intervals being approximately 920 ft. from the TGR #1 Well. The side-track will utilise the existing wellbore and will require approximately 2,300 ft. of new wellbore to be drilled at a maximum deviation of 37 degrees.

On 21 July 2011, our partner Verus Investments Limited (ASX:VIL) advised that it was reviewing the option to farm out a portion of their 72.0% working interest in Fausse Point. As a consequence, the side track to the TGR # 1 well will be delayed.

A new expected date to commence the side track will be announced as soon as it becomes available.

Both GGP and VIL remain committed to the Fausse Point project

Seismic data suggests the new targeted interval is a sand shale sequence with multiple sands in an up-thrown fault block that closes against salt with the up-dip part of the trap believed to be below a salt wing where the reservoir sands are "stray" channel sands. At least one of the new targets ties back to a nearby producing well. The pay found in the TGR #1 Well proves hydrocarbon charge and sand presence below the unconformity and the salt wing.

A detailed drilling proposal which includes a well drilling cost estimate has been prepared. The surface facilities including production equipment and gas pipeline remain in place. Additional leasing to cover the new targeted structure has been arranged.

Given the new target will be accessible from the existing TGR #1 Well location with a side-track from the original wellbore and all surface and production equipment being in place, the drilling costs are expected to be significantly less than drilling and completing a new well to a similar depth.

The TGR #1 Well drill-site remains in good condition and was not impacted by the flooding of the Mississippi River during June 2011.

The original TGR#1 Well at Fausse Point had been extremely encouraging in that it discovered hydrocarbons over multiple levels. However, patience and some very time consuming detailed technical work was required to fully understand each of the zones so as to optimise any appraisal drilling operation.

Based on the significance of the test results of the TGR #1 discovery well, the commitment was made by the partners to acquire more 3-D seismic, reprocess the data and complete the interpretational work.

This has been an expensive and time consuming process and is now almost 100% complete, however from the re-interpretation and information developed it appears the time and effort has paid off with new significant targets which can be drilled at low cost.

The Company has an 18% working interest in the project and is the operator.

Partners in the TGR Lands #1 target are:

Company	WI
Golden Gate Petroleum Ltd	18%
Verus Investments Ltd (ASX: VIL)	72%
Other Partners	10%

Silverwood Project

The Richardson #1 well was shut in during June 2011. Partners have elected to exit this project.

The Company is assessing a number of options and retains an 85% working interest in the project and is the operator.

3D Seismic Project

The Company has owned or has acquired three 3D seismic licences covering Fausse Point (Louisiana) Magnet Withers (Texas) and Padre Island (Texas). The Company is reprocessing the data with latest techniques to identify prospects never previously identified. The Company is already building a prospect inventory.

The Company intends to build a leasehold position and promote prospects, which will enable the Company to earn a carried position in initial exploration wells.

Bowtie West Project

Bowtie West (Sugar Valley # 1) is ready to drill and the Company is currently waiting on the operator to contract a rig and schedule drilling operations targeting the prolific Vicksburg sandstone reservoir. This project is a relatively low-risk exploration prospect with prospective resources estimated at 51 BCFG and 1.7MMBO.

Analogue producing wells exist nearby, with IP's > 8 MMCFG per day and cumulative production of >10 BCFG.

The Company has an 18% working interest (paying 20%) in the Bowtie West project.

Partners in the Bowtie West project are:

Company	WI
Golden Gate Petroleum Ltd	18%
Verus Investments Ltd (ASX:VIL)	18%
Other Partners	64%



Padres Island Project

The operator is still in bankruptcy.

The Company is examining various options to further develop its knowledge base and seismic licence.

Other Projects

The Company is examining other oil projects in South Louisiana and Texas, leveraging off its experience base.

Corporate

During April 2011 the Company undertook a series of broker briefings in Melbourne, Sydney and Adelaide to detail the Company's future plans in regard to the Permian Basin project and existing projects. A copy of the presentations are available on the Company's and the ASX's website.

The Company completed an AUD 1.5 million Convertible Note financing in June 2011. The unsecured convertible notes have an interest rate of 11% per annum payable quarterly in arrears, have a maturity date of 30 June 2013 and convert at the lesser of \$0.05 and 85% of the 10 day VWAP from the previous day in which a conversion notice is received by the Company, up until maturity when any outstanding notes will be repaid.

In July 2011, the Company signed a term sheet in regard to an AUD \$15m, 3 Year Equity Financing Facility with Roswell Capital Partners, based in Atlanta, Georgia, USA, in order to assist in the expansion of its oil and gas exploration and development program in Texas and Louisiana. According to the term sheet, the Company, may (at its discretion) draw on the commitment by providing draw down notices to Roswell during the next 3 years. Each drawdown is subject to a maximum amount, as well as a floor price, below which the Company will not issue shares to Roswell. The ordinary shares will be issued at a price equal to 95% of the market price, but not below the floor price.

The Equity Funding Facility may be terminated by the Company without penalty and there is no non-usage fees associated with the facility. The term sheet is subject to (i) the parties entering into formal agreements setting forth their respective rights and obligations, (ii) the completion of due diligence on the Company's business to the Investor's satisfaction and (iii) the receipt of all regulatory approvals for the facility.

Cash balance as at 30 June 2011 was AUD \$2.4 million.

For further information contact:

Chris Ritchie
Financial Controller
Phone: +61 3 9349 1488
Email: investor.relations@ggpl.com.au

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 and Permian Basin regions 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.

31Rule 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 2011

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	418	2,138
1.2 Payments for		
• exploration and evaluation	(49)	(658)
• development	(856)	(3,384)
• production	(210)	(1,059)
• administration	(279)	(1,167)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 JV Trust Accounts	-	(2,353)
Net Operating Cash Flows	(976)	(6,478)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
• prospects	(98)	(2,210)
• equity investments	-	(67)
• other fixed assets	-	(2)
1.9 Proceeds from sale of:		
• Acquisition of project asset	-	-
• equity investments	-	8
• other fixed assets	-	-
1.10 Loans from other entities	-	-
1.11 Refunds/(Payments) of Security Deposits	-	-
Net investing cash flows	(98)	(2,271)
1.13 Total operating and investing cash flows	(1,074)	(8,749)

+ See chapter 19 for defined terms.

Golden Gate Petroleum Limited
Appendix 5B – 30 June 2011
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(1,074)	(8,749)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	3,688
1.15	Costs of the Issue	-	(388)
1.16	Proceeds from borrowings	1,510	1,510
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	1,510	4,810
	Net increase (decrease) in cash held	436	(3,939)
1.20	Cash at beginning of quarter/year to date	2,025	7,584
1.21	Exchange rate adjustments to item 1.20	(68)	(1,252)
1.22	Cash at end of quarter	2,393	2,393

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	138
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 fees, office rental, travel reimbursements and provision of company secretarial and accounting staff.

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	0	0
3.2 Credit standby arrangements	0	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	2,000
4.3 Production	250
4.4 Administration	250
Total	2,700

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	883	2,025
5.2 Deposits at call	1,510	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,393	2,025

+ See chapter 19 for defined terms.

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	Shallow Laurel Ridge (Huth)	Held by subsidiary 0%	20.6%

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	1,495,191,946	1,495,191,946	
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	Conversion \$ Maturity

+ See chapter 19 for defined terms.

Golden Gate Petroleum Limited
Appendix 5B – 30 June 2011
Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	541,936,396	541,936,396	Exercise price 8 cents (541.3m) 40 cents (0.6m)	Expiry date 31 August 2012 31 August 2011
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Cancelled during quarter				
7.11	Debentures (totals only)	0			
7.12	Unsecured notes (totals only)	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.

Chris Ritchie
Financial Controller
Date: July 29 2011

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.

+ See chapter 19 for defined terms.

- 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.

+ See chapter 19 for defined terms.