

Quarterly Activities Report For the three months ended 31 March 2011

COMPANY INFORMATION

Golden Gate Petroleum Ltd
ABN 34 090 074 785

COMPANY DIRECTORS

Steve Graves – Non Exec
Chairman / Managing Director
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:
1,495,191,946

Market Capitalisation as at 27
April 2011 based on a share
price of \$0.02
AUD \$ 29.9 million



Highlights

- Completed the purchase of 8,806 acres in the Permian Basin, in Reagan & Irion Counties, Texas USA. Acquisition cost was USD \$2.2 million in cash and the issue of 196,000,000 fully paid ordinary shares. The Company has a 100% working interest in the leases and will be the operator.
- Successful AUD \$2.6 million Entitlement issue completed with approx. AUD 880,000 excess subscriptions returned to shareholders
- Revenue re-contracted to a Louisiana Light Sweet crude basis from West Texas Intermediate adding USD\$ 16 per bbl to revenue.
- Dugas & Leblanc #3 well spudded on 16 April 2011.



Production for the Quarter

Well	Total Production		GGP Share	
	Oil BBL	Gas MCF	Oil BBL	Gas MCF
Jumonville #1	2,618	8,173	1,420	4,434
Jumonville #2	5,844	13,626	3,170	7,392
Richardson #1	605	-	514	-
Dugas & Leblanc #2	3,885	137,194	583	8,411
	12,952	158,993	5,687	20,237

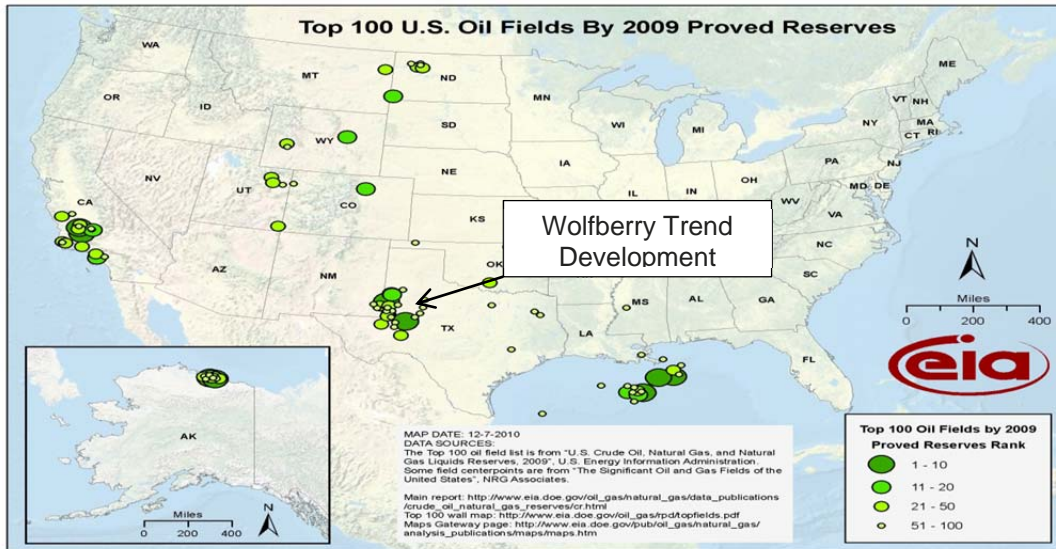
During the quarter the Company's estimated gross share of production was 5,687 barrels of oil and 20.2 million cubic feet of gas. At current oil and gas prices net revenue to the Company is estimated at USD 164,000 per month.

Permian Basin Project (Wolfberry Trend)

The Company has acquired a proven high quality in-field development asset in a top ranked proven reserve location in North America, the Permian Basin. A total of 8,806 acres of oil and gas leases have been acquired in the Wolfberry Trend, south-east of Midland, Texas. The Company has a 100% working interest with a 75% net revenue interest.

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 across the Wolfberry Trend.

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.

It is estimated that there are over 1.0 million BOE recoverables per 640 acre section in the Wolfberry, with over 12 sections in our leasehold position. A revised reserve assessment is needed to confirm approximately 4.0 million barrels of P1 reserves currently (pre drilling) over the leasehold.

Broad Oak Energy, Inc. a surrounding producer in Reagan County has achieved attractive well performances with IP rates of 136 BOPD and 109MCFPD with variations between wells and are tracking a 5% exponential yearly decline rate of 30+ years. Broad Oak have 200+ producing wells achieving approximately 10,000+ barrels of oil plus gas per day and have accelerated their drilling / completions since 2008 with over 90 new wells and continued an aggressive permitting and drilling program with 40 new permits in 2011 surrounding our leasehold position.

The Company has selected the first 10 well locations and is preparing for surveying and drilling permits, is tendering out location work and developed well and completion programs for the initial wells. The Company’s drilling program is planned to commence as early as May / June (subject to rig availability) with fracture stimulation to follow shortly after well completion.

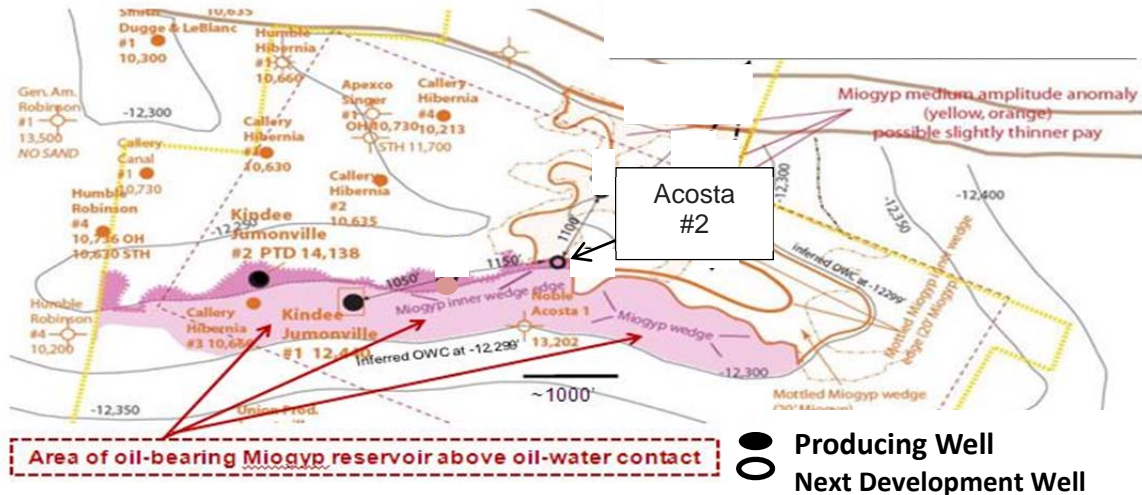
The Company’s 100% owned subsidiary, Kindee Oil and Gas Texas, LLC will be the operator with regional experts to support project management including Halliburton and others.

Financing the initial wells is to come from a combination of cash on hand, convertible notes and potential partnering. Follow on drilling will be funded from revenues and production financing as required based on the updated reserve position (P1). The Company’s objective is to quickly self-fund an active drilling / completion program.

Bullseye Project

Jumonville #1 & Jumonville #2 wells have produced approximately 300,000 barrels of oil and 160 million cubic feet of gas. They are currently producing at around 100 barrels of oil equivalent per day. Revenues are now priced off Louisiana Light Sweet Crude, which is currently at a premium to West Texas Intermediate (WTI).

The Company is currently preparing for the next development well in the Miogyp and Camerina, with site surveys, AFE and a well plan having been completed.



The Company has a 54.25% working interest in this project, is the operator and is examining possible farm in candidates to share the drilling costs.

Partners in the Bullseye Project are:

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%

Silverwood Project

The Richardson #1 well is on production at minimal levels of between 5 to 8 barrels per day. Partners have elected to exit this project.

The Company is assessing the next steps and retains an 85% working interest in the project and is the operator.

3D Seismic Project

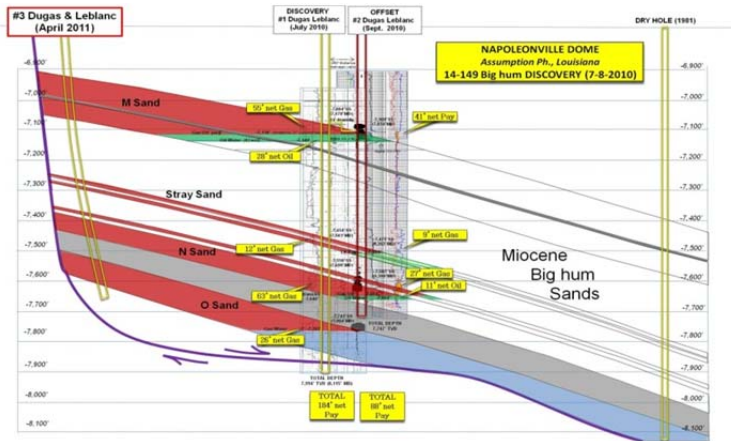
The Company has owned or has acquired three 3D seismic licences covering Fausse Point (Louisiana) Magnet Withers (Texas) and Padre Island (Texas). The Company is reprocessing the data with latest techniques to identify prospects never previously identified. The Company is already building a prospect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

Napoleonville Project

The Dugas & Leblanc #2 well averaged approximately 30 barrels of oil and 1.8 million cubic feet of gas per day from the lowest interval. The Company expects increased production levels as the primary interval in the “M” sand is opened up.

The Dugas & Leblanc #3 well spudded on 16 April 2011 and had reached 7,470 feet by 27 April 2011 with gas shows encountered drilling through the “M” sand. The well will be drilled to a depth of 8,000 feet TVD updip of the #2 well and will target the gas in the “M,” N”, Stray and “O” sands. Production will start at the lowest known sand, the “O” sand and as each zone depletes the zone above will be completed. The expectation is that the Dugas & Leblanc #3 well will be a gas well with the #2 well recovering the oil in the “M” sand.



The potential recoverable from the Dugas & Leblanc field is estimated at 7 BCF of gas of gas and 305,000 barrels of oil and will be recoverable over the following intervals.

	Gas (BCF)	Oil (MBO)
“M” Sand	4.15	300
Stray Sand	0.25	-
“N” Sand	1.3	5
“O” Sand	1.25	-
Total	6.95	305

The “N” sand has proven to date in the Dugas & Leblanc #2 well to exhibit a strong water drive. However, the dominant drive mechanism in the remaining sands is an unknown variable. The high permeability and porosity of the sands indicate flow rates of over 4,000 mcf/d in the Dugas & Leblanc #3 well resulting in significant cash flow generation.

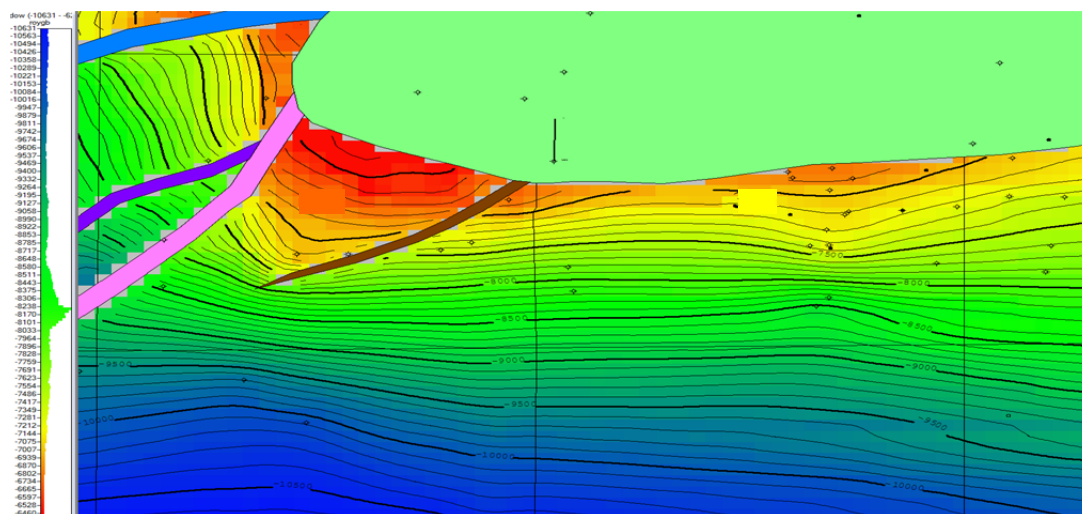
Partners in the Dugas & Leblanc #2 & #3 wells are:

Company	WI
Golden Gate Petroleum Ltd	15.0%
Grand Gulf Energy Ltd (ASX: GGE)	39.5%
Other Partners	45.50%

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

The Company has acquired 3D Seismic data over the entire Fausse Point Salt Dome and has reprocessed the data to improve previous poor quality. Initial interpretations have identified a missed target in the TGR Lands #1 well due to an undefined fault.



The TGR Lands #1 target appears to be in an up-thrown fault block that closes against the salt up-dip. The Company has been completing interpretational work and preparing a side-track or appraisal well for partner review.

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%
Oakmont Minerals	10%

Bowtie West Project

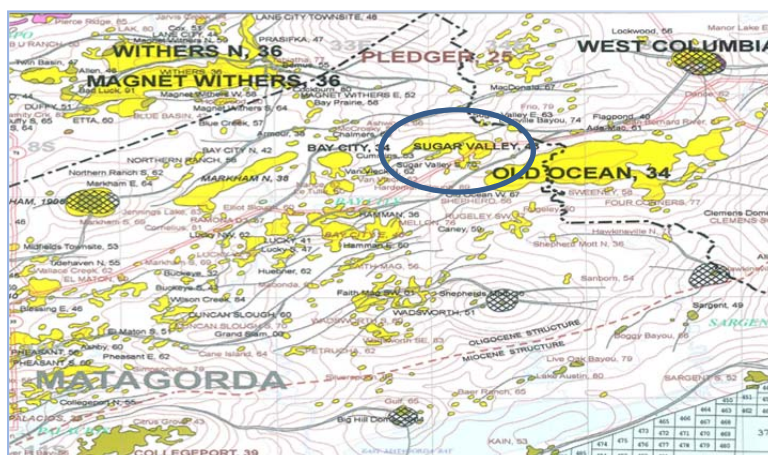
Bowtie West is ready to drill and the Company is currently waiting on the operator to contract a rig and schedule drilling operations targeting the prolific Vicksburg sandstone reservoir. This project is a relatively low-risk exploration prospect with prospective resources estimated at 51 BCFG and 1.7MMBO.

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 the Wilcox formation in South Louisiana and other familiar target intervals, leveraging off its experience base.

Corporate

Mr. Sam Russotti retired as Chairman of the Company on 31 January 2011. Mr. Steve Graves was appointed as Executive Chairman in addition to his role as Managing Director as of the same date.

In February 2011 the Company completed a fully underwritten 1 for 3.5 entitlement issue that raised AUD \$2.6 million. A total of approximately AUD 880,000 was returned to shareholders who had subscribed for additional shares in excess of their entitlement due to the maximum level of the entitlement issue being reached when the underwriter elected to take up a significant portion of the initial under-subscription.

During the quarter the Company re-contracted its revenue from to a Louisiana Light Sweet Crude pricing basis from a West Texas Intermediate basis. The premium between the two benchmarks is approximately USD \$16 per barrel.

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 presentation is available on the company's and the ASX's website.

Cash balance as at 31 March 2011 was AUD \$2.0 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")

31st March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors	573	1,720
1.2 Payments for		
• exploration and evaluation	(93)	(609)
• development	(914)	(2,528)
• production	(297)	(849)
• administration	(256)	(887)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	4
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	(985)	(5,502)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
• prospects	(1,557)	(2,112)
• equity investments	-	(67)
• other fixed assets	(2)	(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	(1,559)	(2,173)
1.13 Total operating and investing cash flows	(2,544)	(7,675)

+ See chapter 19 for defined terms.

Golden Gate Petroleum Limited
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Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(2,544)	(7,675)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,592	3,688
1.15	Costs of the Issue	(296)	(388)
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		2,296	3,300
Net increase (decrease) in cash held		(248)	(4,375)
1.20	Cash at beginning of quarter/year to date	2,458	7,584
1.21	Exchange rate adjustments to item 1.20	(185)	(1,184)
1.22	Cash at end of quarter	2,025	2,025

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	276
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

The Company issued 196,000,000 fully paid ordinary shares as the equity consideration for the acquisition of the leasehold of 8,806 acres in the Permian Basin in Texas USA. At a rate of 1.2 cents this increased consolidated assets by \$2.3 million.

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	100
4.2 Development	1,000
4.3 Production	250
4.4 Administration	250
Total	1,600

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	2,025	2,458
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,025	2,458

+ 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	Silverwood Permian Basin Held by subsidiary Held by subsidiary	59.5% 0.0%	85% 100%

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	415,031,991	415,031,991	
7.5	*Convertible debt securities (description)	Number	⁺ Class	Conversion \$ Maturity

+ See chapter 19 for defined terms.

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Appendix 5B – 31 March 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	216,031,992	216,031,992	8 cents	31 August 2012
7.9	Exercised during quarter	Nil	Nil		
7.10	Cancelled during quarter	Nil	Nil		
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: April 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.