

Quarterly

Report for the three months ended 31 December 2006

Share Price 28 cents

Shares on Issue 176,103,950

Market Cap \$49m

Directors & Management

Mr Sam Russotti | Executive Chairman

Mr Michael Bell | Managing Director

Mr Mark Freeman | Finance Director

Mr Frank Petruzzelli | Director

Gas Price US\$7.36 MMBTU

Oil Price US\$54.10 BBL

Summary

- Wilson well expected to spud around mid February
- Plum well continuing to evaluate with a work-over rig being contracted to assess a shallow 25ft interval
- Golden Gate's gross share of production averaged **2.1 million** cubic feet per day for the quarter
- 14,000,000 Shares placed at 41 cents each to raise \$5.74m



ABN 34 090 074 785

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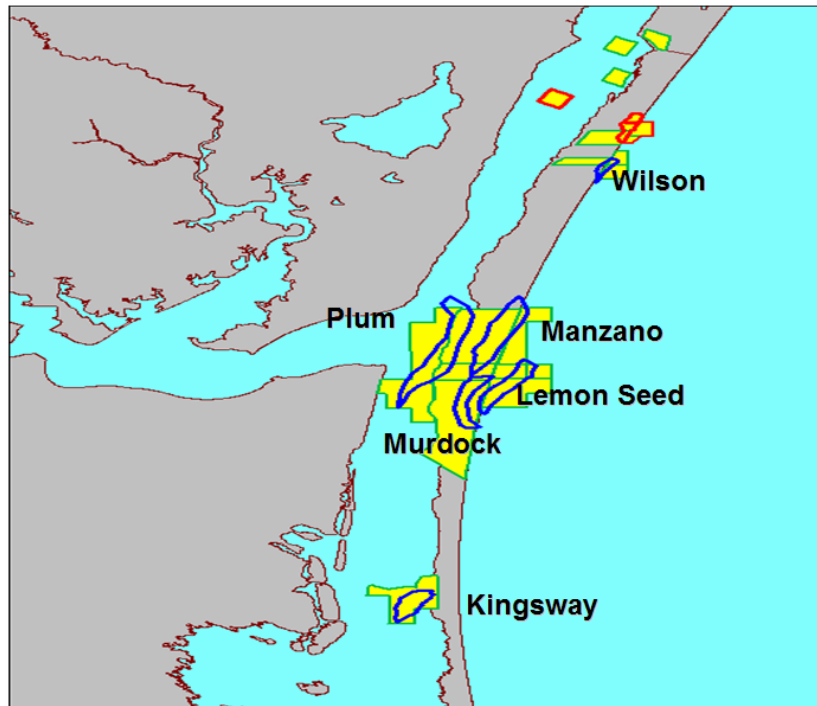
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Project Locations



Wilson prospect

To Spud mid February

The Company's next exploration well to be drilled on Padre Island, Kindee ST949 #1 well, is expected to be spudded around mid February. The Parker Rig is currently being rigged up on location at the Wilson pad. Wilson is the second well of a multi-well programme being undertaken by Golden Gate.

The Company expects the well to be drilled by end of March.

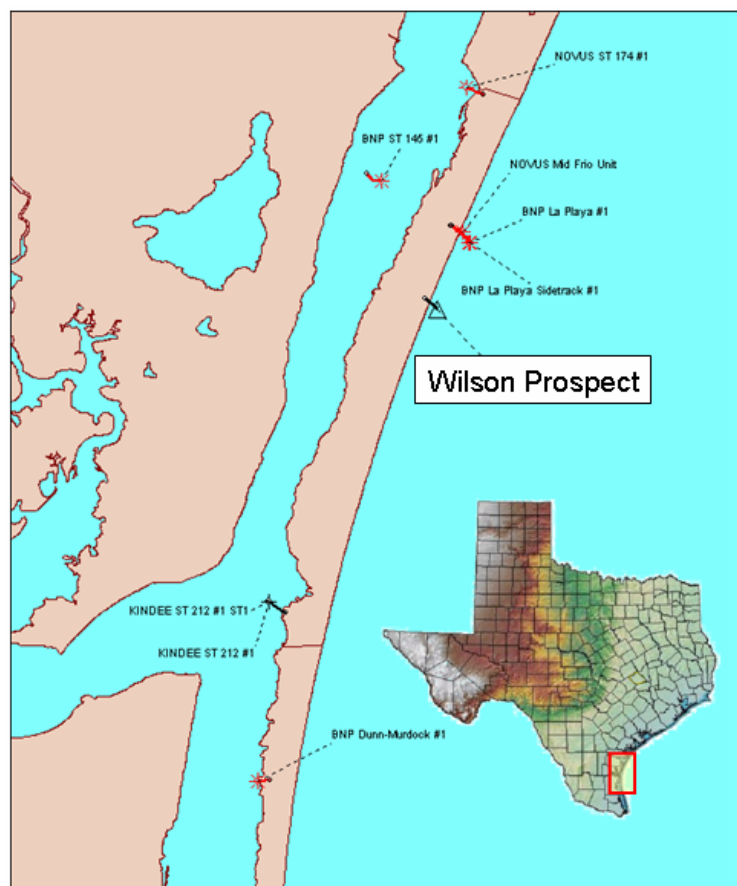
The Wilson well will be targeting the upper Frio system at similar depths to our existing production at La Playa Deep and La Playa Shallow to the North and Dunn Peach # 6 to the South (see prospect map). La Playa Deep continues to provide around 4.9 mmcf/d of gas following 12 months of production.

The Wilson prospect has unrisked maximum potential of 21 BCF.

Partners in the Kindee ST949 #1 well are:

Golden Gate Petroleum Ltd	42.5% WI
Pantheon Resources Plc	32.5% WI
Cinco Resources Inc	15% WI
Medina *	10% WI

* Subject to final documentation.



Plum Deep Prospect

Currently evaluating

The Kindee ST212 #1 well on the Plum Deep Structure was spudded on 1 August 2006 (Texas, USA). On 10 January 2007 the Company advised that the testing and sampling programme undertaken in the deeper zones have determined the zones non-commercial.

A fourth shallower zone remains to be tested. This is behind the 7" liner. Indications of a gas-bearing zone were recorded over an approximate interval of 25 feet. A workover rig is currently being contracted to undertake this process.

Partners in the ST Kindee #1 well are:

Golden Gate Petroleum Ltd	37.5% WI
Lodore Oil & Gas LP	37.5% WI
Pantheon Resources Plc	25.0% WI

Production

for the quarter ended 31 December 2006

During the quarter Golden Gate's estimated net share of production from its USA operations was **186** million cubic feet of gas and **2,052** barrels of oil.

Based on current production rates Golden Gate's gross share of production from Padre Island is currently around **2.1** million cubic feet of gas and **23** barrels of oil per day.

For further information contact:

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Executive Chairman
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Finance Director
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This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Golden Gate that its expectations, estimates and forecasts outcomes will be achieved.

Information contained in this report was compiled from information provided by Sam Russotti and Michael Bell, who have had more than 60 years collective experience in the practise of petroleum geology. Both Messrs Russotti and Bell have consented to the inclusion in this report of the matters based on this information and the context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Golden Gate Petroleum Ltd

ABN

34 090 074 785

Quarter ended ("current quarter")

31 December 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	1,117	2,335
1.2 Payments for		
(a) exploration and evaluation	(3,254)	(5,712)
(b) development		
(c) production	(350)	(530)
(d) administration	(136)	(230)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	19	22
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(2,604)	(4,115)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(e) prospects		
(f) equity investments (net of receivables and cash)		
(g) other fixed assets		
1.9 Proceeds from sale of:		
(h) prospects		11
(i) equity investments		
(j) other fixed assets		
1.10 Loans from other entities		
1.11 Refunds/(Payments) of Security Deposits	(87)	(87)
Net investing cash flows	(87)	(76)
1.13 Total operating and investing cash flows	(2,691)	(4,191)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(2,691)	(4,191)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	5,740	9,040
1.15	Costs of the Issue	(38)	(38)
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	5,702	9,002
	Net increase (decrease) in cash held	3,011	4,811
1.20	Cash at beginning of quarter/year to date	5,038	3,460
1.21	Exchange rate adjustments to item 1.20	(23)	(245)
1.22	Cash at end of quarter	8,026	8,026

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	144
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, directors fees and provision of a fully serviced office.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	4,000
4.2 Development	
Total	4,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A	Previous quarter \$A
5.1 Cash on hand and at bank	8,026	5,038
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	8,026	5,038

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	176,103,950	176,103,950		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs		14,000,000	41 cents	41 cents
7.5 *Convertible debt securities (description)	Number	⁺ Class		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	12,775,000		Exercise price 44 cents (0.8M) 32 cents (25k) 33 cents (200k) 33 cents (1m) 22 cents (3m) 22 cents (3.5m) 54 cents (4.25m)	Expiry date 18 Feb 07 2 March 07 19 Aug 2008 1 Dec 2008 21 Nov 2009 1 Dec 2008 31 Dec 2009
7.8 Issued during quarter	3,250,000		54 cents	31 Dec 2009
7.9 Exercised during quarter				
7.10 Expired during quarter	28,466,369	28,466,369		
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.

Mark Freeman

Finance Director/Company Secretary

Date: 31 January 2007

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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