

Quarterly

Report for the three months ended 30 September 2007

Share Price 41 cents

Shares on Issue 214,731,043

Market Cap \$88m

Directors & Management

Mr Sam Russotti | Executive Chairman

Mr Mark Freeman | Finance Director

Mr Jeffrey Copley | Technical Director

Mr Frank Petruzzelli | Director

Gas Price (Henry Hub) US\$6.67 MMBTU

Oil Price US\$92.5 BBL

Highlights

Texas (Includes Padre Island)

- Wilson well tied in for Commercial production on 10 September 2007.
- Dunn Deep well #2 drilled and tied in for production on 17 September 2007.
- La Playa #2 spudded on 25 September 2007 and currently being completed and tested.
- Bowtie East #1 well was spudded on 10 October and is presently at 11,457 ft with TD estimated in 1 week.
- Golden Gate's share of production for the quarter was **225** million cubic feet of gas and **1,509** barrels of oil.

Louisiana

- Acquisition of 42.5% - 50% interest in LGS/Samstown Noel Prospect with potential reserves of 19mboe and 34bcf gas.
- Samstown Folse #2 well drilled and tested with tie in estimated to completed with in the next 2 weeks. Production estimated at 500 to 1,000 mcf.
- LGS Folse #1 well spudded on 18 October and is presently at 10,457 ft and TD estimated in 1 week.

Corporate

- \$8.9m fundraising completed with the issue of 35.6m Shares issue to place at 25 cents each (includes 11.9m free attaching unlisted options exercisable at 35c on or before 31 July 2008).



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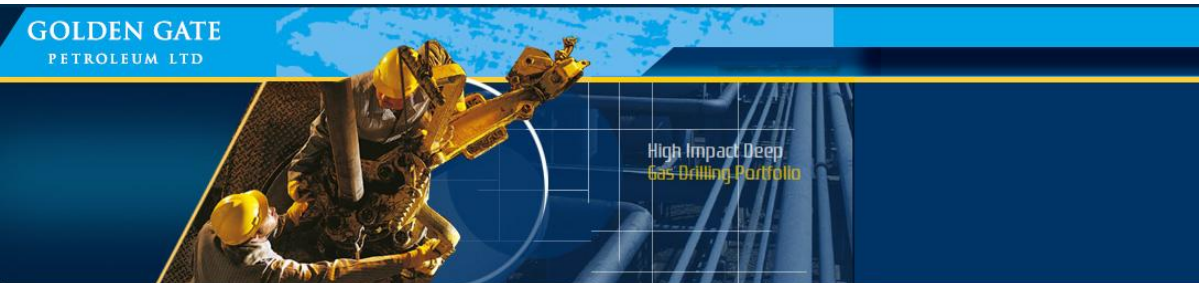
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Wilson well

on commercial production

Kindee ST949 #1 (Wilson Prospect), Padre Island, Tx, Operator 58.23% WI

Production from the Kindee ST949 # 1 well on Padre Island onshore Gulf of Mexico, USA commenced on 10 September 2007 at an initial rate of 2.5 million cubic feet a day ("mmcf). The well produced 60.5 million cubic feet during the period to 30 September 2007.

Although the Company has been encouraged by the early production performance of the well, it is important to caution that it remains in the preliminary stages of development. The Wilson well requires an extended period of production testing to ascertain its ultimate long term performance profile.

Dunn Deep #2 well

Drilled, completed and tied in for commercial production

Dunn Deep #2 (Dunn Deep Prospect), Padre Island, Tx, Non-Operator 20% WI

Production from the Dunn Deep #2 well on Padre Island onshore Gulf of Mexico, USA commenced on 16 September 2007 at an initial gross rate of 3 mmcf and 60 barrels a day ("bopd") of condensate. By end September this had risen to an average stabilised rate of 4.8 mmcf and 70 bopd of condensate. The well produced 56.5 million cubic feet and 1,111 barrels of oil during the period to 30 September 2007.

This well was spudded on 15 August 2007 (Texas, USA) and reached a depth of 10,542ft MD (10,300ft TVD). Electric logs were run and results within the primary objective indicate of net pay of 20ft over a gross sand interval of 50ft within the MT35 reservoir. The well was successfully completed and tied directly into the sales grid.

The MT35 reservoir has been producing at more than 4.5 million cubic feet of gas per day over the last 20 months from the Company's Dunn Deep #1 well. The Dunn Deep reserves are difficult to estimate due to variations in net/gross reservoir across the trap area. This well will assist in reserve estimation and delineating the field, as well as having the potential to accelerate production.



LaPlaya #2

Well spudded and currently being tested

La Playa #2 (La Playa Prospect), Padre Island, Tx, Non-Operator 20% WI

The La Playa #2 well was spudded on 21 September 2007 (Texas, USA). The well was drilled to a total depth of 11,681 feet (measured depth).

Electric logs were run and production casing run and cemented. The electric logs have indicated three main potential gas zones ranging from a net 10 feet to 30 feet thick. Perforation and testing of the potential gas zones will be conducted over the next 2 weeks. The cost of drilling the well was 35% under the budgeted estimate helping to conserve the Company's working capital.

This is an appraisal of the La Playa shallow structure from which the original LaPlaya #1 discovery well has been producing since 2001. La Playa #1 was drilled in 2001, initial production was 2 mmcf/d from the MT35 sand however the production casing collapsed soon after completion and as a consequence the MT35 and MT34 sands within the well were no longer accessible. Since the casing collapse production has been achieved by the completion of several thin shallower sands in the well. The La Playa #2 well is targeting the MT34 and MT35 sands within the Upper Frio section of the La Playa structure. The trap is a three way fault closure and occurs along the same fault trend as the currently producing LaPlaya #1 well.

The LaPlaya structure has the potential to contain unrisked gas reserves of up to 40Bcf.

Bowtie East #1

Well spudded

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

Bowtie East #1 Well was spudded on 10 October 2007. The well has a planned total depth of 13,000 feet (measured depth). The well is presently at 11,457 ft with TD estimated to be reached in 1 week.

Total reserves are estimated (P50) to be 65 BCF of gas and 2.5 million barrels of oil. The well is evaluating three independent targets, defined by new 3D seismic.

A summary of the Project is located on the Company's website: www.ggpl.com.au/operations_easttexas.html

LGS/Samstown Noel Project

42.5% - 45% working interest

- Golden Gate has expanded its activities in the U.S. Gulf Coast region with 2 new projects in Louisiana
- Gross potential P50 is estimated at 19 million barrels of oil (MBO) and 34 Billion cubic feet (BCF) of gas
- Multiple structures and sands over two prospect areas; LGS/Samstown and Noel
- The Company has acquired a 42.5-50% working interest (WI) seeking to farm down to 34%-36% working interest
- Net revenue interest is approximately 75% after royalty and over-riding interests
- Initial shallow low-risk development, combined with deeper higher impact exploration
- Samstown Folse #2 well was spudded on 16 September 2007 and reached TD on 22 September 2007. The well has been flow tested and is expected to commence production at 500 mcf/d, increasing to 1,000 mcf/d.
- The LGS Folse #1 well was spudded on 18 October 2007 and is expected to reach TD within 1 week.
- Project enhances Golden Gate's stated strategy to focus on hydrocarbon exploration onshore in the Gulf Coast region of the U.S as well as adding some diversity to its portfolio in that area (Texas and Louisiana)

DETAILS OF FARM-IN

The Board of Golden Gate (ASX Code: GGP) is pleased to advise the acquisition of oil and gas prospects in Iberville and Ascension Parish, Louisiana. This project involves the sequential development of a series of shallow and deep objectives in two prospect areas. The deeper wells are optional and scheduled for later in the project development. The Company has acquired 42.5% - 45%.

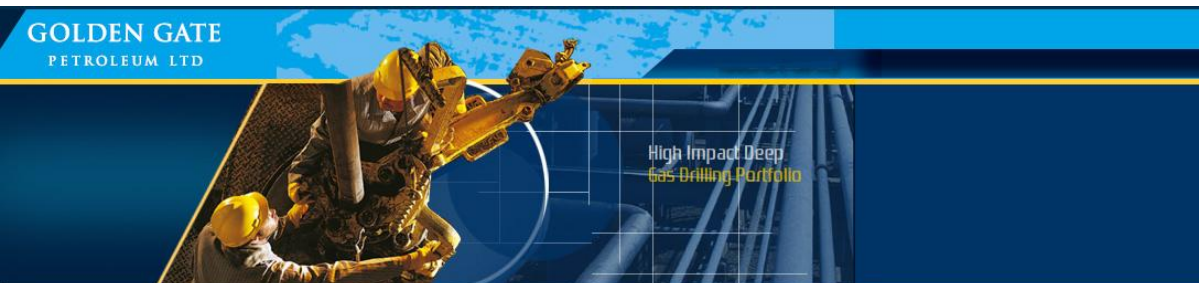
Participants will carry the seller for a 20% back-in after project payout (which includes all well and entry costs), which effectively delivers the Company a WI of 34%-36% after payout.

Total composite reserves are estimated (P50) to be 19 million barrels of oil and 34 BCF of gas.

The shallow low risk wells will be drilled first and if successful will provide the Company with early cash flow covering a significant portion of drilling costs associated with testing the larger reserves in the deeper reservoirs.

This is the fourth in a series of new venture initiatives that the Company has announced in order to bring diversity and growth to its asset portfolio in the onshore Gulf Coast region. These initiatives include low-risk exploration ventures, with high production rate potential and a significant oil component in reserves.





SAMSTOWN PROSPECT

Folse #2 Samstown Prospect, Iberville Parish, Louisiana, Operator 45% WI

The Samstown Prospect is a shallow development gas play from a normal pressured gas sand at 4,650ft on a 4-way closure. The Samstown Prospect is set up by subsurface control and 3D seismic.

The Samstown Folse #2 well was spudded on 16 September 2007 (Texas, USA) and was the first well drilled on the initial new venture in Louisiana. The Samstown well reached a total depth of 5,170ft TVD/MD on 22 September 2007. Electric logs were run and results indicated 14 feet of net pay at the top of a 240 foot gross sand interval.



On 30 October 2007 the Company announced the successful testing of the Folse #2 well on the shallow Samstown prospect. The multi-point pressure tests used rates of 200, 400 & 700 mcfpd with shut-in bottom hole pressure of 1,875psi. Rates up to 8 barrels of condensate per day ("bcpd") of 60 degree API gravity, were also observed.

It is expected that initial production will begin at 500mcfpd, with the potential to increase to 1mmcfpd after the first month of production. Reserves are estimated at 1-2 Bcf. Pipeline hook-up is expected to be completed in 2 weeks.

A 20% back-in after project payout (which includes all well and entry costs for Samstown, LGS and Noel) to the project sellers effectively delivers the Company a WI of 36% after payout.

The Board is encouraged by this early success.

LGS PROSPECT

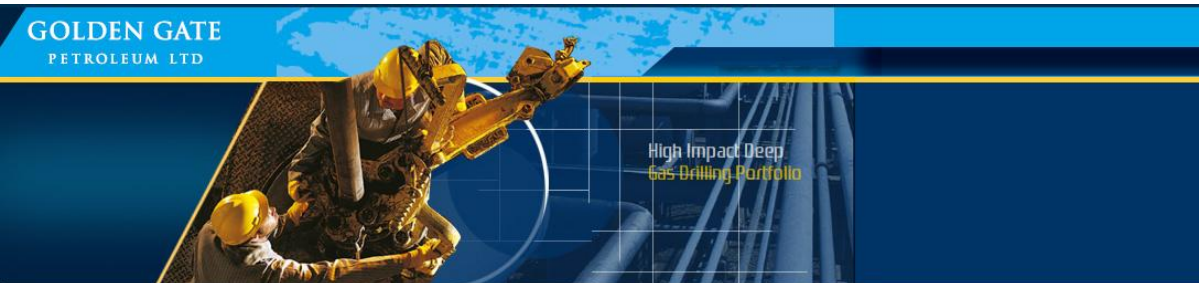
The LGS Project presents an opportunity with two targets. The first is a shallow appraisal/development oil play from 5 normally pressured sands on a faulted 3-way closure and the second is a deep oil and gas exploration well. The LGS Prospect is set up by subsurface control and 3D seismic acquired in 2005.

Folse #1 LGS Prospect, Iberville Parish, Louisiana, Operator 42.5% WI

The Folse #1 well was spudded on 18 October 2007 (Texas, USA) and is the second well drilled on the initial new venture in Louisiana. The well has a planned total depth of 10,850 feet (measured depth) and it is anticipated it will reach TD within 1 week. The well will test a series of stacked pay sands found to be productive in offsetting locations downdip. Total reserves from this well are estimated (P50) to be 1.2 million barrels of oil and 2 BCF of gas. The well is targeting five independent sands, in a trap defined by new 3D seismic along with existing well control. A 20% back-in after project payout (which includes all well and entry costs) to the project sellers effectively delivers the Company a WI of 34% after payout.

The Company has ascribed a reasonably high probability of success on the prospect due to the fact that the well is being drilled updip of a well that encountered stacked oil pay.

The LGS #1 Folse well logged several pays on water in 1981 and the Operator attempted to offset the well 4 times, but was either low on structure or faulted-out in every attempt. The 3D data acquired in 2005 provides



a very clear picture of the structure and indicates 40-80 acres located up dip of the LGS #1 Folve well. It is estimated that up to 35ft of structure can be gained over the down dip producers and/or show wells.

LGS DEEP PROSPECT

The deep targets at LGS fall within the same fault trap where the Miogyp and Cib Haz sands are prospective. The upside potential from these zones adds another 9 million barrels of recoverable oil and 18 billion cubic feet of gas. Both of these primary objectives are found to be productive in the area on similar fault bounded structural traps with initial rates of 600-1,000bpd and 5-8mmcfpd from 10-20 feet of sand. The 3D seismic provides excellent definition of the probable trap area.

NOEL PROSPECT

The Noel Project similarly presents a two target opportunity. The first is a shallow oil exploration well on a four way closure and the second is a deep oil and gas exploration well. The Prospect is located on the southeastern corner of Laurel Ridge field. The Nottoway 3D was acquired in late 2005 and identifies the faulted 4-way closure in the shallow normally pressured sections. The shallow Noel prospect has stacked 40 to 120 acre 4-way closure in sands between 6,700ft to 10,000ft. There are over eight prospective sands in this 4-way closure. Three of the major targets, Operc (8,200ft), Marg A (9,650ft) and Siph Davisi (9,950ft) have around 1-2 million barrels of oil potential and 0.5-1.0 billion cubic feet of gas.

At depth, the fault creates a high-side closure for the Marg Vag, Miogyp and Cib Haz sands between 11,500ft and 13,500ft. The deep target is the geopressured sands where the 3D shows a broad low relief closure present at Marg Vag (11,500ft), Miogyp (12,200ft) and Cib Haz (13,200ft) where there is potential for 6 million barrels of oil and 13 billion cubic feet of gas. As with the deep LGS prospect these reservoirs have the same high rate potential to provide an excellent economic return. The 3D seismic data provides excellent structural control for the deep traps, resulting in a moderate risk for the reserves.



Production

for the quarter ended 30 September 2007

During the quarter Golden Gate's estimated gross share of production from its USA operations was **225** million cubic feet of gas and **1,509** barrels of oil.

Fundraising

On 3 August 2007 the Company completed an \$8.9m raising through the issue of 35,600,000 new shares at 25 cents per share. Participants received 1 free unlisted option for every 3 shares issued. The options are exercisable at 35 cents each on or before 31 July 2008.

Incentive Options

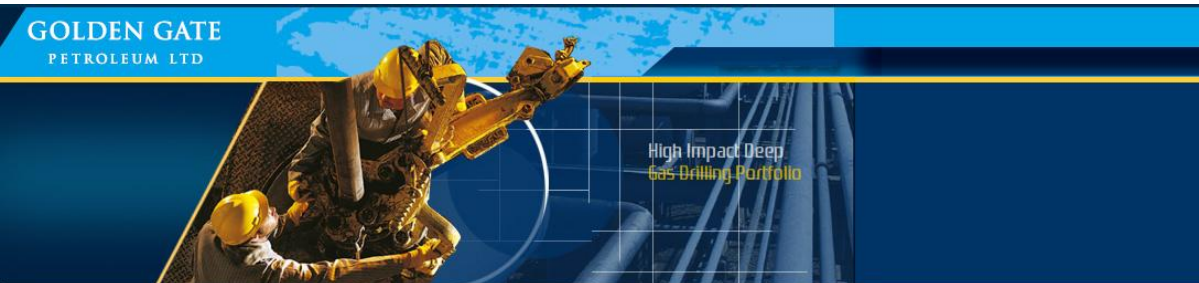
Following shareholder approval on 10 July 2007 the Company issued 2,000,000 unlisted options to Technical Director, Jeff Copley. The options are exercisable at 25 cents on or before 30 June 2010 and vest over a 12 month period of service.

On 10 August 2007 the Company issued 1,600,000 unlisted options exercisable at 35 cents on or before 30 September 2010 to key employee personnel. The options are subject to 12 months period of service.

Annual General Meeting

23 November 2007

All shareholders are advised that the Company's AGM will be held at 2.30pm on 23 November 2007 at Level 1, 566 Elizabeth Street Melbourne Victoria.



On behalf of the Board of Directors

For further information contact:

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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.

This report has been reviewed and signed off by Mr Sam Russotti, CEO, (BSc Geology) and Mr. Jeff Copley, Technical Director (BSc Geology & MSc. Geophysics), both with over 30 years experience in the oil and gas sector. Mr Russotti has 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")

30 September 2007

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	1,153	1,153
1.2 Payments for		
(a) exploration and evaluation	(5,260)	(5,260)
(b) development		
(c) production	(1,204)	(1,204)
(d) administration		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	47	47
1.5 Interest and other costs of finance paid	(98)	(98)
1.6 Income taxes paid		
1.7 Unapplied Cash Advance to Operator	(751)	(751)
Net Operating Cash Flows	(6,113)	(6,113)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(e) prospects	(1,559)	(1,559)
(f) equity investments (net of receivables and cash)		
(g) other fixed assets		
1.9 Proceeds from sale of:		
(h) prospects		
(i) equity investments		
(j) other fixed assets		
1.10 Loans from other entities		
1.11 Refunds/(Payments) of Security Deposits		
Net investing cash flows	(1,559)	(1,559)
1.13 Total operating and investing cash flows	(7,672)	(7,672)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (carried forward)	(7,672)	(7,672)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	8,903	8,903
1.15	Costs of the Issue	(213)	(213)
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	8,690	8,690
Net increase (decrease) in cash held			
1.20	Cash at beginning of quarter/year to date	3,274	3,274
1.21	Exchange rate adjustments to item 1.20	81	81
1.22	Cash at end of quarter	4,373	4,373

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	218
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 which includes 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	3,000	3,000
3.2 Credit standby arrangements	1,000	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,800
4.2 Development	200
Total	2,000

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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,373	3,273
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,373	3,273

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	Bullseye	Indirect	0%	50%
	Bowtie	Indirect	0%	18%
	LGS/Noel/ Samstown	Indirect	0%	42.5%- 50%
	Wilcox	Indirect	0%	100%

+ 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	211,717,710	211,717,710		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs		35,613,000	0.25	0.25
7.5 *Convertible debt securities (description)	Number 11,320,754	⁺ Class	Conversion \$ 26.5 cents	Maturity 15/5/2009
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	20,457,664		Exercise price 33 cents (200k) 33 cents (1m) 22 cents (3.5m) 54 cents (3.25m) 35 cents (8.8m) 25 cents (2m) 35 cents (1.65m)	Expiry date 19 Aug 08 1 Dec 08 1 Dec 08 31 Dec 09 31 July 08 30 June 10 30 Oct 10
7.8 Issued during quarter	8,857,664 2,000,000 1,650,000		35 cents 25 cents 35 cents	31 July 08 30 June 10 30 Oct 10
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)	0			

+ See chapter 19 for defined terms.

7.12	Unsecured notes <i>(totals only)</i>	0	
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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 October 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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