

# Quarterly

Report for the three months ended 31 December 2008

**Share Price** 12 cents

**Shares on Issue** 262,448,447

**Market Cap** \$31m

## Directors & Management

Mr Sam Russotti | Chairman

Mr Steve Graves | Managing Director

Mr Mark Freeman | Director

Mr Frank Petruzzelli | Director

Mr Chris Bowyer | Company Secretary

**Gas Price  
(Henry Hub)** US\$4.70 MMBTU

**Oil Price** US\$41.44 BBL

## Highlights

### Production

- Golden Gate's current gross share of production is presently ~1.7 mmcf/d gas and ~236 bbls of oil per day.
- Total Production for the quarter was 158 million cubic feet of gas and 18,112 barrels of oil.

### Louisiana

- Jumonville #1 is currently producing approximately 480 barrels of oil per day and 280 mcf of gas per day.
- Drilling operations began at Jumonville #2 on 25 December and were expected to take around 60 days to complete. The well is presently at 10,800 ft.
- Re-entry at the Acosta #1 well was completed and flow testing is continuing.
- The West Lake Boudreaux well was drilled and tested during the quarter. It has been decided to plug and abandon the well.

### Corporate

- Placement of 18.2m shares at 28c was completed to raise \$5,100,000
- 1,000,000 options with an exercise price of \$0.22 were exercised raising \$220,000
- The Annual General Meeting was held on 21 November and all resolutions put to the meeting were passed.



GOLDEN GATE PETROLEUM LTD

ABN 34 090 074 785

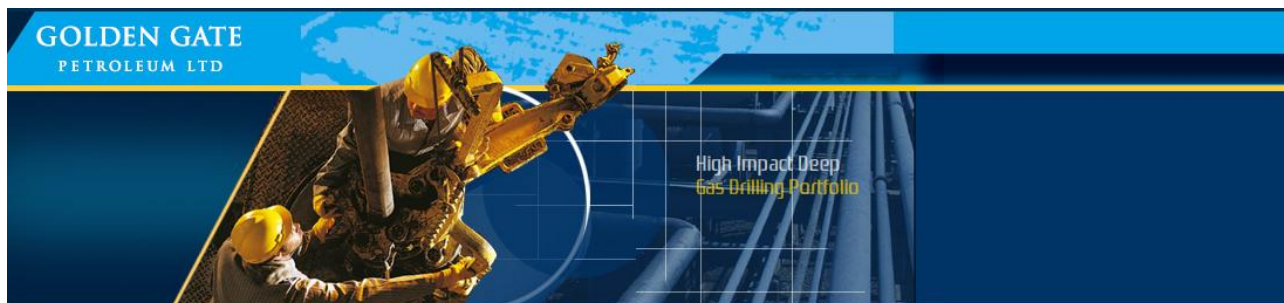
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# Louisiana Wells

## **Jumonville #1 Bullseye Prospect, Iberville Parish, Louisiana, Operator 41.25% WI**

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The Jumonville #1 well which has been in production since late September 2008 was briefly shut-in during December. The shut-in was for safety reasons while the transporting and setting up of the H&P #79 rig to drill Jumonville #2 occurred. The well was put back on production at the beginning of January 2009.

The well's current daily production rates are approximately 480 barrels of oil and 280 mcf of gas.

## **Jumonville #2 Bullseye Prospect, Iberville Parish, Louisiana, Operator 43.33% WI \***

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The Jumonville #2 well commenced drilling operations on 25 December 2008. Surface casing was set at 3,600 feet. The well is currently at 10,800 feet and setting intermediate casing. The drilling program is on-budget and close to the original schedule with another 30+ days of drilling. Total depth is planned for approximately 14,200ft.

The Jumonville #2 well targets three objectives: the Camerina, Miogyp and Cib Haz Formations. The primary target in the Jumonville #2 well is the deeper Cib Haz reservoir which is contained in the same hydrocarbon trap as the shallower productive intervals. Although deeper than the proven Miogyp reservoir and apparent pay in the Camerina section, it is considered to have a high probability of success, but is considered an exploration target since it has yet to be tested. In addition, the Jumonville # 2 well will penetrate the Miogyp updip from the oil production in the Jumonville #1 well, providing additional confirmation of pay thickness and distribution of this reservoir.

The proprietary 3D seismic data, which provided an accurate pre-drill estimate of pay thickness in the Jumonville # 1 well, indicates substantially thicker reservoir sand over a larger area in the deeper Cib Haz reservoir. If this deeper test is successful the combined reserves of the Camerina, Miogyp and Cib Haz has the potential to make Bullseye one of the largest onshore discoveries in South Louisiana in recent years with a P50 estimate of 22.5 mmboe.

Partners in the Jumonville #2 well\* are:

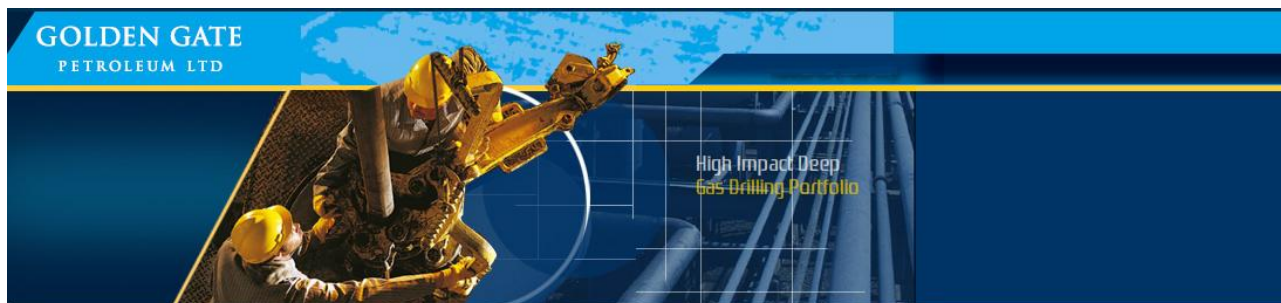
Golden Gate Petroleum Ltd (ASX code: GGP)	43.33% WI
Modena Resources Limited (ASX code: MDA)	15.00% WI
Quest Petroleum NL (ASX code: QPN)	6.67% WI
Pantheon Resources PLC	15.00% WI
Eastern Advisors	20.00% WI

\* GGP will have a 41.25% working interest following back in rights of the project vendor.

## **Acosta #1 Well, Bullseye Prospect, Iberville Parish, Louisiana, Operator 41.25% WI**

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The re-entry work on the Acosta #1 well began in November and successfully reached total depth of 12,475 feet on 9 December. Open hole logs and side wall cores made during the drilling indicated approximately 24 feet of net pay in the Miogyp formation and 26 feet of oil saturated porosity in the Camerina formation. A service rig was on site by the end of December to begin completion operations and testing.



The Acosta #1 well has commenced testing operations. Initial perforations of the Miogyp reservoir have experienced apparent formation damage limiting well bore entry which is most likely caused by the close-by original well bore. A remedial treatment program is being completed with results pending.

Partners in the Acosta #1 well are:

Golden Gate Petroleum Ltd (ASX code: GGP)	41.25% WI
Modena Resources Limited (ASX code: MDA)	9.00% WI
Quest Petroleum NL (ASX code: QPN)	5.00% WI
Pantheon Resources PLC	11.25% WI
Eastern Advisors	12.00% WI
Other partners	21.50% WI

### **Surface Production Facilities – Bullseye Prospect**

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The surface production facility work has continued with the installation of four 1,500 bbl tanks along with oil, gas and water flow lines for the Jumonville #1 well, the Acosta #1 well and the recently commenced Jumonville #2 well. The gas sales line went operational with initial sales commencing in mid-December.

### **West Lake Boudreaux Prospect, Terrebonne Parish, Louisiana, Non-Operator 20% WI**

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Drilling commenced on the SL 18892 #1 well on 24 October 2008. On 8 December the Company announced that it had reached total depth of 13,760 feet and was running electric logs. No commercial hydrocarbons were found even though initial indications while drilling had indicated good gas shows across two intervals. The Company decided to plug and abandon the well.

# Padre Island

### **Kindee ST 949 #1 (Wilson Prospect) Operator, GGP WI Prospect 58.23%**

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Following a review of the prospectivity for commercially rectifying production problems on ST 949 #1 the joint venture has agreed to plug and abandon the well.

# Production

for the quarter ended 30 December 2008

During the quarter Golden Gate's estimated gross share of production from its USA operations was 18,112 barrels of oil and 158 million cubic feet of gas.

At current oil and gas prices net revenue to GGP (after royalty and costs) is estimated at over A\$550,000 monthly.

# Corporate

## Capital Raising

The Company successfully completed a placement of 18,214,285 shares at 28 cents raising \$5.1m before expenses. The Company was encouraged by the strong support shown by investors, particularly given the condition of the financial markets.

## General

The Company announced on 2 December 2008 that 1,000,000 options (expiry date 1 December 2008) had been exercised at a price of 22 cents raising \$220,000.

A further 2,500,000 options at an exercise price of 22 cents and 1,000,000 options at an exercise price of 33 cents expired.

## Annual General Meeting

The Annual General Meeting was held on Friday, 21 November 2008, all the resolutions put to shareholders were passed.

*On behalf of the Board of Directors*

### ***For further information contact:***

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Managing Director  
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Sam Russotti  
Chairman  
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Mark Freeman  
Director  
Phone +61 8 9324 1177

The information in this report has been reviewed and signed off by Mr Sam Russotti, Chairman, (BSc Geology) with over 30 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")

31 December 2008

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	4,935	8,363
1.2 Payments for		
(a) exploration and evaluation	(2,268)	(3,930)
(b) development	(1,738)	(3,539)
(c) production	(322)	(1,965)
(d) administration	(360)	(517)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	11	17
1.5 Interest and other costs of finance paid	(82)	(157)
1.6 Income taxes paid		
1.7 Unapplied Cash Advance to Operator	1,811	1,811
<b>Net Operating Cash Flows</b>	<b>1,987</b>	<b>83</b>
<b>Cash flows related to investing activities</b>		
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		
(i) equity investments		
(j) other fixed assets		
1.10 Loans from other entities		
1.11 Refunds/(Payments) of Security Deposits	-	(28)
<b>Net investing cash flows</b>	<b>-</b>	<b>(28)</b>
1.13 Total operating and investing cash flows	1,987	55

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (carried forward)	1,987	55
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	5,320	5,320
1.15	Costs of the Issue	(213)	(213)
1.16	Proceeds from borrowings	-	605
1.17	Repayment of borrowings	(605)	(605)
1.18	Dividends paid		
1.19	Other (provide details if material)		
<b>Net financing cash flows</b>		4,502	5,107
<b>Net increase (decrease) in cash held</b>		6,489	5,162
1.20	Cash at beginning of quarter/year to date	1,748	2,745
1.21	Exchange rate adjustments to item 1.20	445	775
1.22	<b>Cash at end of quarter</b>	8,682	8,682

**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	230
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	8,243	0

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	5,000
4.2 Development	1,500
<b>Total</b>	<b>6,500</b>

### 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	8,682	1,748
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>8,682</b>	<b>1,748</b>

### 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 <b>Preference securities</b>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	262,448,447	262,448,447		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	18,214,287 1,000,000	18,214,287 1,000,000	28 cents 22 cents	28 cents 22 cents
7.5 <b>*Convertible debt securities (description)</b>	Number 11,320,754	<sup>+</sup> Class	<b>Conversion \$</b> 26.5 cents	<b>Maturity</b> 15/5/2009
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options (description and conversion factor)</b>	23,450,000		<b>Exercise price</b> 54 cents (3.25m) 25 cents (2m) 35 cents (17.60m) 40 cents (0.6m)	<b>Expiry date</b> 31 Dec 09 30 June 10 30 Oct 10 31 Aug 11
7.8 Issued during quarter				
7.9 Exercised during quarter	1,000,000		22 cents	1 Dec 08
7.10 Expired during quarter	1,000,000 2,500,000		33 cents 22 cents	1 Dec 08 1 Dec 08
7.11 <b>Debentures (totals only)</b>	0			
7.12 <b>Unsecured notes (totals only)</b>	0			

**Compliance statement**

+ See chapter 19 for defined terms.

- 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

Director

Date: 30 January 2009

## 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.