

Golden Gate Petroleum Ltd

ABN 34 090 074 785

Interim Financial Report for the Half-Year Ended
31 December 2012

INDEX	Page
Corporate directory	1
Directors' report	2
Directors' declaration	11
Consolidated statement of comprehensive income	12
Consolidated statement of financial position	13
Consolidated statement of changes in equity	14
Consolidated statement of cash flows	15
Notes to the financial statements	16
Auditor's independence declaration	24
Auditor's independent review report	25

CORPORATE DIRECTORY

This half-year report covers the consolidated entity consisting of Golden Gate Petroleum Ltd ("the Company" or "Golden Gate") and the entities it controlled during the half-year ended 31 December 2012 ("Consolidated Entity" or "Group"). The Group's presentation currency is Australian Dollars.

OFFICERS

Stephen Graves (Executive Chairman / Managing Director)
Chris Porter (Non-Executive Director)
Rob Oliver (Non-Executive Director)
Chris Ritchie (Company Secretary)

REGISTERED OFFICE

566 Elizabeth Street
Melbourne 3000
Telephone: (03) 9349 1488
Facsimile: (03) 9349 1186
Email: admin@ggpl.com.au
Website: www.ggpl.com.au

SOLICITORS

Allens & Linklaters
101 Collins Street,
Melbourne, Victoria 3000

AUDITORS

Grant Thornton Audit Pty Ltd
Level 30, 525 Collins Street
Melbourne Victoria 3000

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
Nedlands Western Australia 6009
Phone: 08 9389 8033
Facsimile: 08 9389 7871

**AUSTRALIAN SECURITIES EXCHANGE
CODES**

GGP (Ordinary Shares)
GGPOA (Listed Options)
GGPOB (Listed Options)

Directors' report

Your Directors submit this report for the half year ended 31 December 2012.

Directors

The names of the Directors of Golden Gate Petroleum Ltd in office during the half-year and until the date of this report are:

Stephen Graves – Executive Chairman / Managing Director
Frank Petruzzelli – Non-Executive Director (resigned 30 November 2012)
Frank Brophy – Non-Executive Director (resigned 30 November 2012)
Chris Porter – Non-Executive Director (appointed 22 November 2012)
Rob Oliver – Non-Executive Director (appointed 22 November 2012)

All Directors were in office from the beginning of the half-year until the date of this report except as stated above.

Review and results of operations

Operating results

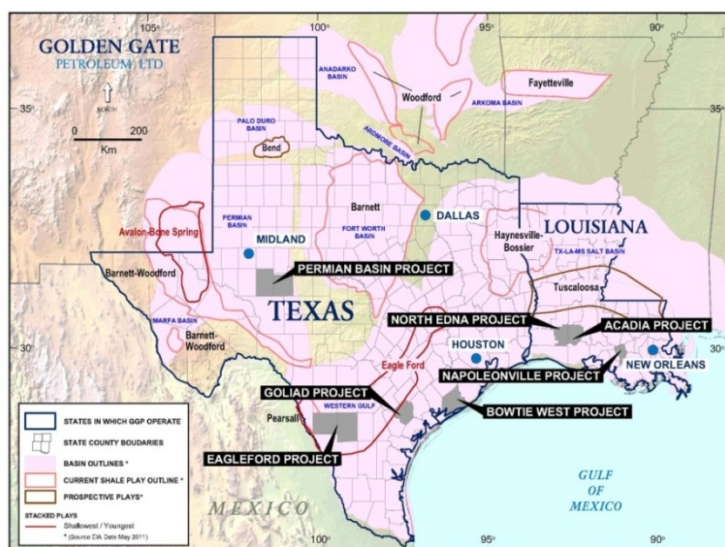
The Company recorded a net after tax loss of \$3,240,203 (2011: net loss of \$1,618,396) for the half-year ended 31 December 2012.

The Company recorded a negative gross margin due to a number of one-off factors. Additional costs (in excess of an existing provision) incurred in the plug and abandonment of the Padre Island wells, workover rig costs at the SRH #3 & #4 wells due to rod parting and holes in tubing encountered during the period and the Company reversed a prior period write back of restoration provisions.

The Company incurred an increase in administration costs of \$442,340 due to additional consultants employed, additional corporate legal fees and higher than usual shareholder meeting costs.

Summary review of operations

The Company has working interests in 5 projects, Permian, Eagle Ford, Napoleonville, North Edna, Bowtie West and options to participate in a further 2 projects, Acadia and Goliad.



Directors' report (continued)**SRH-5H well**

On 10 December 2012, the Company announced that the SRH #5H had been drilled and completed.

The SRH #5H well, the Company's first horizontal well, reached a total measured depth of 11,404 feet with a total vertical depth of 7,070 feet in the Upper Wolfcamp Interval which we refer to as the A Bench. A horizontal section of approximately 4,700 feet was completed. Based on the Company's target range for the horizontal section being achieved and other factors including drilling rates and rig performance, it was elected to complete the well. 5½ inch casing was successfully set to bottom with a positive cement job test.

The well activity versus plan was fully achieved and on schedule with actual costs running on projections.

Haliburton is scheduled to frac the SRH #5H in March 2013.

The current overall plan is to drill Wolfcamp horizontal wells over the company's Permian leasehold position in 2013 in order to maintain all leases via the continuous drilling requirements of the leases. The SRH #5H well has provided important information for the future drilling program and is expected to begin production after the well is frac'd.

The Company believes there are three and possibly four intervals which could be candidates for horizontal drilling over our leasehold position. Approximately 24 horizontal well locations have been identified for each interval. 72 to 92 horizontal wells in total could be drilled over the leasehold.

Based on other horizontal well estimates by major operators in the area, the SRH # 5H well could have an estimated ultimate resource potential of approximately 400,000 barrels of oil equivalent made up primarily of oil and gas liquids.

SRH-1 well and SRH-2 well

The Company is currently in the process of preparing to set capillaries on both the SRH #1 & #2 wells so the isolated Cline interval can be put on production and comingled with the Wolfcamp intervals which have already been frac'd. The addition of chemicals to the bottom hole Cline interval is designed to avoid paraffin falling out of the oil in the well bore.

The current plan is to bring the two wells back on production from both the Wolfcamp and Cline intervals.

The **SRH-3 well and SRH-4 well** are on production. Total current production of the producing wells is running approximately 62 BOE per day.

Preparations are underway for the drilling of the 6th well in the Permian project. Surveying of several sites for both vertical and horizontal wells is underway. The next well to be drilled is expected to commence drilling operations in April 2013. A decision on whether to drill a horizontal or vertical well will be determined based on the results of the #5H well's initial production and other factors involving the current permitting process and legal issues.

Production for the six months period for the Permian wells was:

Well	Oil	Gas
	BBL	MCF
SRH #1	-	599
SRH #2	566	2,792
SRH #3	3,744	16,404
SRH #4	4,275	13,258
Total	8,585	33,053

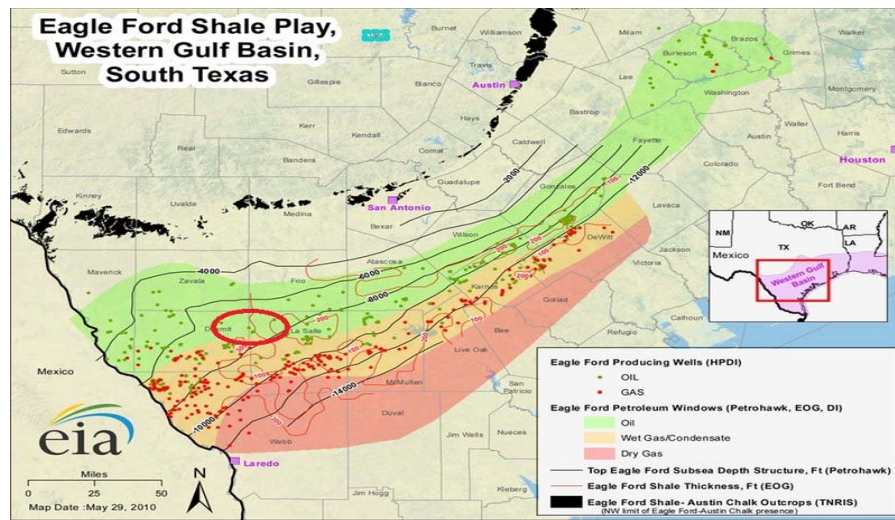
Directors' report (continued)

Eagle Ford Shale Development

Dimmit and La Salle Counties, Texas, Non-Operator, 10% WI

The Company has a 10% working interest in a 40+ horizontal well development project in the Eagle Ford Trend. The project covers approximately 3,400 acres in the oil window of the Eagle Ford Trend.

The operator & prospect promoter estimate resource potential of 15 million barrels of oil equivalent (BOE) gross (net to the Company approximately 1.5 million barrels) for the leasehold position. The leases have terms and conditions typical of the Eagle Ford.



The depth of the Eagle Ford shale in this area is around 8,200 feet with a shale thickness of approximately 175 feet. There are approximately 42 potential drilling locations on 80 acre spacing. Well costs are estimated at US\$7.5 million each with a drilling time of three weeks after the initial two wells are used to gather important data for designing the completion program. The lateral length of the first horizontal well is planned for 4,500 feet and is expected to contain 12 to 16 frac stages.

Initial production rates may range from 600 BOE per day to 1,300 BOE per day. Estimated recovery per well is in a 362,000 BOE to 500,000 BOE range.

The Company will be paying its proportionate share of all costs plus a two or three well promote (approximately 11.1% for a 10% working interest). The total estimated commitment to the project (paying 11.1% for a 10% working interest) including planned drilling over the next year is US\$1.7 million.

Cutlass West A #1 well, Dimmit and La Salle Counties, Texas, Non-Operator, 10% WI

The Cutlass West A #1 well was completed on 21 June 2012 and recorded oil and gas shows through several intervals including the Eagle Ford. Critical information about the shale rock properties was gathered for the design of the frac programs. Hole cores were also taken. Fracture stimulation is planned for early 2013 followed by a pipeline connector and hook-up.

Cutlass East A #1 well, Dimmit and La Salle Counties, Texas, Non-Operator, 10% WI

The Cutlass East A #1 well, was drilled to a total depth of 9,203 feet on 29 July 2012 and the current plan is to test and flow back several intervals (outside the Eagle Ford) before drilling the lateral and completing the Eagle Ford.

Half-year financial report for the six months ended 31 December 2012

Directors' report (continued)

Bowtie West Project

Sugar Valley #1 well, Matagorda County, Texas, Non-Operator, 12% WI

The Sugar Valley #1 well was drilled and completed on 7 May 2012 and commenced production on 12 December 2012. The electronic logs had indicated a gross pay interval of 32 feet full to base and is highly laminated in the lower section while being 60 feet high to the down dip well drilled in the 1970s.

During the six-month period the Sugar Valley #1 well produced a total 408 bbls of oil and 19,783 mcf of gas. The Company's share of production was 49 bbls of oil and 2,374 mcf of gas.

Napoleonville Project

Dugas & Leblanc #3 well, Assumption Parish, Louisiana, Non-Operator, 15% WI

During the six-month period the Dugas and Leblanc #3 well produced a total 45,885 bbls of oil and 94,778 mcf of gas. The Company's share of production was 6,962 bbls of oil and 14,392 mcf of gas.

Hensarling #1 well, Assumption Parish, Louisiana, Non-Operator 3.99% WI

The Hensarling #1 well, reached a TVD of 12,445 feet in mid-December 2012 and ran electric logs over the Cris R IV and V sands, but was unable to locate commercial hydrocarbons. The operator then plugged off the bottom of the well and moved to testing the Cris R III and II sands (in that order).

Recently completed electric logging operations have confirmed net pay of 31 feet in the Cris R II sands and 49 feet in the Cris R III sands.

The Desiree prospect covers an area of 140 acres in Assumption Parish, Louisiana and is being operated by a large US oil and gas company. The operator is the same partner that is managing the Napoleonville salt dome project.

Total drilling costs are US\$ 3.6 million. GGP's share of drilling costs was funded in August 2012. The primary objectives are the Cris R II and III intervals which, based on Grand Gulf Energy's post drill estimates, contain 952,000 bbls of oil and 0.4BCFG, representing a significant discovery.

The well has been completed and is ready for testing following completion of unitization. The unitization process is expected to be completed in May 2013.

Dugas & Leblanc #1 well

Combined, insurers of the operator and the Company have paid in excess of US\$19.6 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.

North Edna Project

Walker Properties #1 well, Jefferson David Parish, Louisiana, Non-Operator, 11.2% WI

The Walker Properties # 1 well spud on 31 January 2013 and was drilled to a total depth of 9,350 feet. Initial logging has been run and casing has been set.

The Walker Properties #1 well is up dip to the discovery well, Richardson # 1 well, which was drilled in September 2010 and produced 5,400 bbls of oil before production ended due to high water volumes. The new bottom hole target is up dip from the Richardson # 1 well in the Vicksburg Herpin Sand.

In June 2012, the Company sold its 85% working interest in the project and received US\$120,000 in cash and an 11.2% working interest in the project plus a carried interest in this initial well to casing point.

Directors' report (continued)

The Vicksburg Herpin Sand is estimated to have a resource potential of approximately 2 million barrels of oil. Based on recent independent valuations the Company's share of project revenue is estimated to be US\$6.5 million.

The Vicksburg Herpin Sand is the pay objective located in the abandoned North Edna Field. Discovered in 1954, the North Edna Field produced 7.3 billion cubic feet of gas and 841,000 barrels of oil from two shallower Lower Frio sands at a depth of 7,900 and 8,600 feet. The field traps hydrocarbons from a south fault closure. During the development of the North Edna Field, the deep Herpin Sand was not drilled.

Mapping of the Herpin Sand revealed an elongated barrier bar island complex that is occasionally cut by inlet channels. Research shows the main barrier island sandstone to be clean, porous and highly permeable while the channel inlets that occasionally cut through the barrier bar are filled with shaley, very fine grained laminated sands that are low permeability.

Prior to the Richardson # 1 Well's successful completion in the Herpin Sand, three wells had attempted to complete in the Herpin Sand target. The first well was drilled in 1982 and experienced an uncontrolled blow out. The offset well encountered the low permeability shaley sands that are found in narrow channel inlets that sporadically cut across the main body of a barrier island. The third well drilled in late 2008 experienced a controlled blow out which ended up damaging the well bore and the well's eventual abandonment.

Padre Island Project

The Texas Railroad Commission Inactive Well Bonds have been returned. The Padre Island National Seashore (PINS) Bonds have not yet been returned.

Acadia Project,

Midland, Louisiana, Operator, 34% WI

The Company has acquired the rights to a 34% working interest after promote in this Louisiana based project with estimated reserves by the promoter of 446,000 bbls of oil and 4.1 billion cubic feet of gas. The Company will be the Operator.

The new well will twin an abandoned well that produced for over 60 days before experiencing mechanical difficulties when oil and gas process were uneconomic in the 1980's.

A fixed price turnkey well and completion program for US\$3.0 million has been put together to drill to 11,500 feet and test the Camerina and Marg 7 targets. One well should drain the structure.

Subject to financial constraints, the Company's participation in the Acadia project is expected to commence drilling operations in mid- 2013.

Goliad Project

Goliad County, Texas, Operator, 25% WI

The Company announced in August 2012 that it had acquired the rights to a 25% working interest in a project covering 752.02 acres in Goliad County, Texas. The acreage is immediately up-dip and adjacent to two vertical wells drilled and completed in 2008 which tested approximately 1.5 million cubic feet of gas per day and 450 barrels per day of condensate pre-frac.

Initially two wells will be drilled with the possibility of subsequent development. The Upper Wilcox and 1st and 2nd Mackhank will be developed.

Directors' report (continued)

Wells will have a 10,800 feet vertical section, with a 2,500 feet horizontal leg that will be fracture stimulated in either the 1st or 2nd Mackhank interval, based on logging and testing the vertical section.

The first well is expected to be drilled in the first half of 2013 at a cost of approximately US\$3.5 million, including project infrastructure.

Corporate

On 9 November 2012, the Company held its Annual General Meeting in Sydney. This meeting considered 4 resolutions in addition to adopting the Company's financial statements for the year ended 30 June 2012. The resolution concerning the adoption of the Remuneration Report was passed as an ordinary resolution but received an "Against" vote of in excess of 25%, which constitutes a first strike.

Resolution 2 concerning the re-election of Mr. Frank Brophy as a director and Resolution 4 concerning the appointment of Grant Thornton Audit Pty Ltd were passed as an ordinary resolution. Resolution 3 concerning the approval of an additional 10% placement ability was not passed as a special resolution, as it failed to achieve the required 75% support of shareholders.

On 16 November 2012, the Company announced that it was calling an Extraordinary General Meeting, to be held on 19 December 2012, in response to a s249D notice that the Company had received from a group of shareholders controlling at least 5% of the votes that may be cast at a meeting of the Company.

On 16 November 2012, the Company announced that it had raised AU\$1,950,000 from the issue of 39,000,000 convertible notes. The issue and terms and conditions of which had been approved at an Extraordinary General Meeting held on 19 September 2012, approving the Company to issue up to 100,000,000 convertible notes to raise up to AU\$5,000,000.

On 20 November 2012, the Company announced that it had appointed two new additional non-executive directors, Mr. Chris Porter and Mr. Rob Oliver. In addition, the Company announced that it was calling a second Extraordinary General Meeting, to be held immediately after the first meeting to allow shareholders the opportunity to re-elect Mr. Porter and Mr. Oliver.

On 30 November 2012, the Company announced that Mr. Frank Petruzzelli and Mr. Frank Brophy had resigned as non-executive directors.

The results of the meetings on 19 December 2012, were that the resolutions to remove Mr. Petruzzelli and Mr. Brophy and the resolutions to appoint Mr. Kelly and Mr. Burt were all not carried on a poll. In addition, the resolutions to re-elect Mr. Porter and Mr. Oliver were carried on a poll.

On 7 December 2012, the Company announced that it had signed an Underwriting Agreement with Novus Capital Limited for a fully underwritten pro-rata non-renounceable 1:4 entitlement issues to eligible shareholders. The shares would be offered at an issue price of \$0.005 and would raise approximately \$3,231,210 before costs. Shareholders who take up their rights under the Entitlement Issue would receive 1 free attaching new option (with an exercise price of 2.0 cents, exercisable on or before 31 December 2014) for every new share purchased.

On 22 December 2012, the Company announced that it had raised AU\$630,000 from the issue of 12,600,000 convertible notes. The total raised through this convertible note issue was \$2,580,000.

Directors' report (continued)

Subsequent events

Entitlement Prospectus

In January 2013, the Company issued the 1:4 Entitlement Prospectus and Supplementary Prospectus. The Entitlement Issue was amended to be partially underwritten, due to the additional shares issued from the conversion of convertible notes subsequent from the date that the Underwriting Agreement was signed.

Shareholders took up their entitlements to 110,733,043 shares raising \$553,665 and also subscribed for 26,737,763 additional shares raising a further \$133,689. The balance of 508,771,194 shares, raising a further \$2,543,856 was placed with the Underwriter.

On 15 March 2013 the Company announced that the Entitlement Offer was complete except for the amount of 54,078,400 shares which could raise a further \$270,392. This amount is the variance between the full entitlement offer and the underwritten amount. The placing of these shares reverts to the Directors of the Company to place no later than 8 May 2013 on the same terms and conditions as offered to shareholders. Directors of the Company cannot participate in this placement.

Reserves Reports

On 9 January 2013, the Company released an independent reserve report for the Permian project.

The report attributed over 5.0 million barrels of oil equivalent (BOE) from proved (P1) and probable (P2) reserves to the Permian leasehold assets currently held in Reagan and Irion Counties, Texas. These reserves were identified as part of the Spraberry-Dean formation in the areas where GGP holds the rights to this formation.

The reserves report was prepared by MHA Petroleum Consultants, LLC (MHA), Denver, Colorado. In addition to the P1 and P2 reserves identified in the Spraberry-Dean formation, MHA also identified Contingent Resources of 10.8 million BOE from only one of three identified intervals/benches in the Wolfcamp formation with each considered by the Company to have similar potential plus one interval in the Cline formation.

The reserves report included projected income data from the estimated net reserve and contingent resources. On a 10% discounted net cash flow basis, US\$69.1 million was attributed to P1 and P2 reserves and US\$127.1 million from Contingent Resources. The economics used NYMEX oil and gas price projections plus cost estimates confirmed to be realistic by MHA.

The reserves report was based on production performance analysis within the general area of the Company's holding. In the current leasehold area, a vertical well exploitation program, using forty (40) acre spacing, was assumed for the Spraberry-Dean reservoir. The anticipated field development plan included four (4) wells drilled by the Company with existing Proved Developed reserves, twenty-seven (27) Proven Undeveloped reserves locations, and thirteen (13) Probable reserves locations. While the reserve report assumed 40 acre spacing, it also noted that some regional operators have started to develop the Spraberry-Dean formation on twenty (20) acre spacing which may add incremental reserves associated with the higher density spacing.

On 1 February 2013, the Company released a further reserve report conducted by MHA for the Bowtie, Cutlass and Acadia projects. The report attributed 1.0 million barrels of BOE from P1 and P2 reserves to the Company's working interest in these three projects. In addition, the reserve report includes projected income data from the estimated net reserves. On a 10% discounted net cash flow basis, approximately US\$10 million is attributed to P1 and P2 reserves.

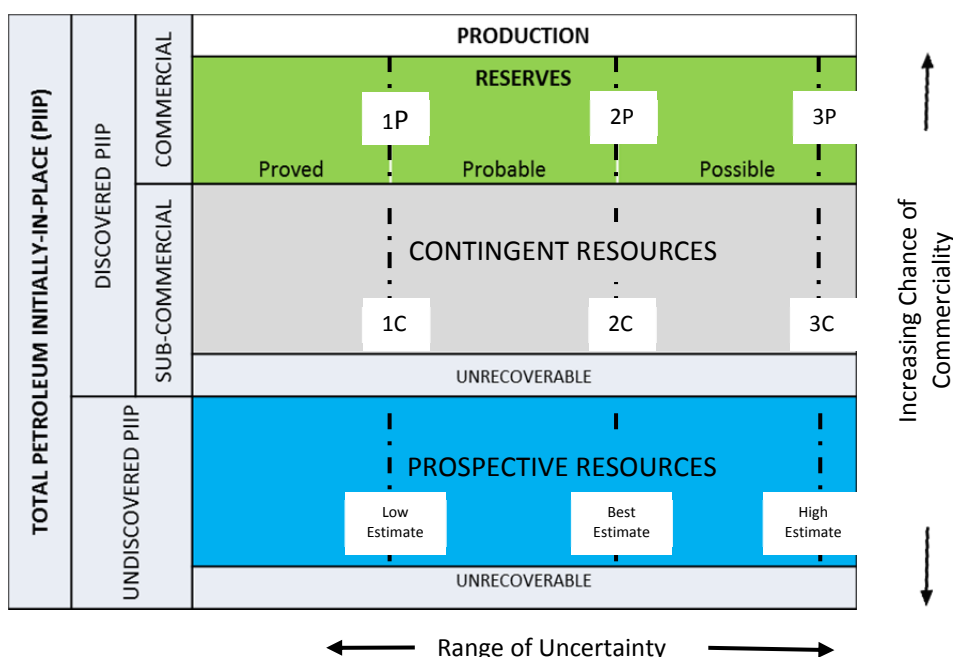
Directors' report (continued)

The total reported reserve position for the Company is approximately 6.0 million BOE from P1 and P2 reserves plus 10.8 million BOE of contingent resources. On a discounted net cash flow basis the total is in excess of US\$205 million.

MHA RESERVE & EVALUATION SUMMARY					
	Permian	Cutlass	Bowtie	Acadia	Total
1P Reserves					
Net Oil (MBbls)	1,867.2	162.9	1.2	53.5	2,085
Net Gas (MMCF)	8,402.4	896.1	91.6	535.4	9,926
Total 1P Reserves (MBOE)	3,267.6	312.3	16.4	142.8	3,739
PV10 (\$MM)	\$45.77	\$2.67	\$0.24	\$2.35	\$51.03
2P Reserves					
Net Oil (MBbls)	1,012.4	126.2	3.7	67.7	1,210
Net Gas (MMCF)	4,555.8	694.1	287.9	676.5	6,214
Total 2P Reserves (MBOE)	1,771.8	241.9	51.7	180.4	2,246
PV10 (\$MM)	\$23.29	\$1.05	\$0.25	\$3.26	\$27.85
Contingent Reserves					
Net Oil (MBbls)	7,193.6	-	-	-	7,194
Net Gas (MMCF)	21,580.7	-	-	-	21,581
Total Cont. Reserves (MBOE)	10,790.4	-	-	-	10,790
PV10 (\$MM)	\$127.15	-	-	-	\$127.15
Total Reserves (MBOE)	15,830	554	68	323	16,775
Project PV10 (\$MM)	\$196.21	\$3.72	\$0.49	\$5.61	\$206.03

Reserves in these reports were assigned on the basis of the Petroleum Resources Management System ("PRMS") definitions published by the Society of Petroleum Engineers (www.spe.org). These definitions are generally accepted as standard in the U.S. oil and gas industry, and this report follows these guidelines for categorizing reserves.

The relative uncertainty of reserves is characterized by reference to deterministic categories – proved, P1 ("much more likely than not"); probable, P2 ("as likely than not"); and possible, P3 ("possible, but not likely") – or in probabilistic terms. If probabilistic methods are used, there should be at least a ninety percent (90%) probability that the quantities of proved reserves actually recovered will equal or exceed the estimate. For probable and possible reserves, the exceedance probabilities are fifty percent (50%) for probable and ten percent (10%) for possible reserves.



Half-year financial report for the six months ended 31 December 2012

Directors' report (continued)

Working Capital Funding Facility

On 13 March 2013, the Company announced that it had secured access to a maximum of AU\$7,500,000 in funds to progress the development of the Permian project from the Australian Special opportunity Fund, LP, a New York-based institutional investor, managed by The Lind Partners, LLC ("Lind").

Under the agreement, the Company will receive AU\$600,000 on execution in the form of a AU\$500,000 Convertible Security and AU\$100,000 as a prepayment for ordinary shares in the Company. Lind will further invest from AU\$100,000 to AU\$300,000 per month, in monthly share subscriptions, over the next two years.

The Company will pay Lind in the Company's shares a commencement fee of AU\$175,000 at an issue price equal to the average daily VWAP's for the 5 trading days prior to the execution date. The Company will also issue to Lind 45,000,000 options exercisable at AU\$0.02 and with an expiry date of 3 years from the execution date. Further options totaling 20% of the number of shares issued from each tranche, with an exercise price of 120% of the tranche Purchase or Conversion price, and an expiry date of 3 years from issuance will be granted to Lind.

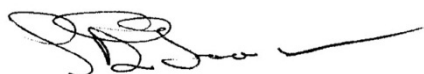
The Agreement with Lind is secured against 50,000,000 GGP shares.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under S307C and the Corporations Act 2001 is set out on page 24.

Signed in accordance with a resolution of the directors.

On behalf of the Directors



Steve Graves
Executive Chairman

15 March 2013
Houston, Texas, United States of America

Forward looking statements & competent persons statement

This report contains forward looking statements that are subject to risk factors associated with resources 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. Any reference to dollars, cents or \$ in this report are to Australian dollar currency, unless otherwise stated.

Information in this report that relates to Hydrocarbon Reserves and or Resources is based on information compiled by the staff of MHA Petroleum Consultants, LLC, including Timothy L. Hower, BS (Petroleum Engineering), MS (Petroleum Engineering), CEO of MHA Petroleum Consultants, LLC and Julianna Sipeki BS (Metallurgy and Materials). Mr Hower and Ms Sipeki are not employees of Golden Gate Petroleum Limited and consent to the inclusion in this report of these reserve figures in the form and context in which they appear.

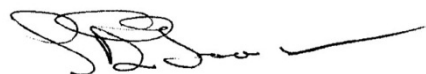
Directors' declaration

In accordance with a resolution of the directors of Golden Gate Petroleum Limited, I state that:

In the opinion of the directors:

- (a) the financial statements, and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Steve Graves
Executive Chairman

15 March 2013
Houston, Texas, United States of America

Consolidated statement of comprehensive income

For the six months ended 31 December 2012

		Consolidated	
	Note	31 Dec 2012	31 Dec 2011
		\$	\$
Revenue from oil and gas sales		1,605,134	1,292,905
Costs of sales		(2,595,916)	(1,181,588)
Gross Profit/(Loss)		(990,782)	111,317
Gain on sale of assets		91,298	-
Interest revenue		1,951	21,075
Other income		-	26,618
Impairment of oil and gas properties		(328,610)	(561,813)
Impairment of exploration assets		(181,580)	-
Impairment of receivables		(70,000)	-
Administration costs		(1,592,630)	(1,150,290)
Finance costs		(169,850)	(65,303)
Loss from continuing operations before income tax expense	3	(3,240,203)	(1,618,396)
Income tax expense		-	-
Net loss attributable to members of the Company		(3,240,203)	(1,618,396)
Other comprehensive income			
Foreign currency translation		(431,081)	841,454
Total comprehensive income for the period		(3,671,284)	(776,942)
Earnings per share attributable to the ordinary equity holders of the Company (cents per share)			
Basic loss per share cents		0.13	0.09
Diluted loss per share cents		0.13	0.09

The Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2012

		Consolidated	
	Notes	31 Dec 2012	30 June 2012
		\$	\$
Current assets			
Cash & cash equivalents		1,000,558	3,035,204
Trade & other receivables		948,660	1,427,568
Assets held for resale		-	1,057,888
Prepayments		155,257	588,431
Total current assets		2,104,475	6,109,091
Non-current assets			
Trade and other receivables		201,583	272,015
Plant and equipment		28,387	32,100
Exploration & evaluation assets	4	17,107,189	18,569,170
Oil & gas properties	5	5,359,113	631,905
Total non-current assets		22,696,272	19,505,190
Total assets		24,800,747	25,614,281
Current liabilities			
Trade and other payables		4,435,788	3,468,751
Cash call from JV partners		33,591	65,173
Interest bearing loans & borrowings		1,540,000	2,945,000
Provisions for assets held for sale		-	295,489
Provisions		18,647	112,737
Total current liabilities		6,028,026	6,887,150
Non current liabilities			
Interest bearing loans & borrowings		1,680,000	-
Provisions		198,151	148,647
Total non current liabilities		1,878,151	148,647
Total liabilities		7,906,177	7,035,797
Net assets		16,894,570	18,578,484
Equity			
Contributed equity	7	106,603,600	104,616,230
Reserves		(2,137,192)	(1,706,111)
Accumulated losses		(87,571,838)	(84,331,635)
Total equity		16,894,570	18,578,484

The Consolidated statement of financial position is to be read in conjunction with the accompanying notes.

GOLDEN GATE PETROLEUM LTD

Half-year financial report for the six months ended 31 December 2012

Consolidated statement of changes in equity

	Contributed Equity	Accumulated Losses	Option Premium Reserve	Foreign Currency Translation Reserve	Convertible Notes Reserve	Total Equity
Balance at 1 July 2011	92,539,992	(79,565,363)	4,029,740	(7,870,544)	1,369,193	10,503,018
Loss for the period	-	(1,618,396)	-	-	-	(1,618,396)
Other comprehensive income	-	-	-	841,454	-	841,454
Total comprehensive income for the half-year	-	(1,618,396)	-	841,454	-	(776,942)
Transactions with owners in their capacity as owners						
Shares issued	5,136,382	-	-	-	-	5,136,382
Transaction costs on shares issued	(398,400)	-	-	-	-	(398,400)
Balance at 31 December 2011	97,277,974	(81,183,759)	4,029,740	(7,029,090)	1,369,193	14,464,058

	Contributed Equity	Accumulated Losses	Option Premium Reserves	Foreign Currency Translation Reserve	Convertible Notes Reserve	Total Equity
Balance at 1 July 2012	104,616,230	(84,331,635)	4,029,740	(7,105,044)	1,369,193	18,578,484
Loss for the period	-	(3,240,203)	-	-	-	(3,240,203)
Other comprehensive income	-	-	-	(431,081)	-	(431,081)
Total comprehensive income for the half-year	-	(3,240,203)	-	(431,081)	-	(3,671,284)
Transactions with owners in their capacity as owners						
Shares issued	2,305,000	-	-	-	-	2,305,000
Transaction costs on shares issued	(317,630)	-	-	-	-	(317,630)
Balance at 31 December 2012	106,603,600	(87,571,838)	4,029,740	(7,536,125)	1,369,193	16,894,570

The Consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half-year ended 31 December 2012

	Consolidated	
	31 Dec 2012	31 Dec 2011
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,970,241	1,183,274
Payment to suppliers and employees	(3,085,711)	(2,234,854)
Receipts from JV partners	-	763,112
Interest received	1,951	20,049
Interest paid	(141,416)	(38,113)
Net cash flows (used in) operating activities	(1,254,935)	(306,532)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(3,851,182)	(10,700)
Production and development costs	(451)	(3,771,693)
Proceeds from sale of assets	839,727	-
Acquisition of plant and equipment	-	(12,243)
Net cash flows (used in) investing activities	(3,011,906)	(3,794,636)
Cash flows from financing activities		
Proceeds from the issue of shares	-	4,536,382
Proceeds from the issue of convertible notes	2,580,000	-
Applications from shareholders not allotted	-	395,258
Share issue costs	(317,630)	(398,401)
Net cash flows from financing activities	2,262,370	4,533,239
Net (decrease) / increase in cash held	(2,004,471)	432,071
Add opening cash brought forward	3,035,204	2,387,656
Effect of exchange rate changes on cash	(30,175)	47,051
Cash and cash equivalents at 31 December 2012	1,000,558	2,866,778

The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Basis of preparation and accounting policies

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2012 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2012 and considered together with any public announcements made by Golden Gate Petroleum Limited during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

Significant accounting policies

The accounting policies applied by the group in this consolidated half-year financial statements for the six months to 31 December 2012 are the same as those applied by the group in its consolidated financial report as at and for the year ended 30 June 2012.

Estimates

The preparation of the half-year financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated half-year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were, other than described below the same as those applied to the consolidated financial report as at and for the year ended 30 June 2012.

Working capital

The group has a working capital deficiency of \$3,923,551 and has incurred a net loss of \$3,240,203 and negative cash flows from operations of \$1,254,935. The group has drilling costs of approximately \$3,800,000 either due or committed to in relation to the Permian Basin prospect.

In order to fund this along with the group's other obligations and current drilling and exploration program, and therefore allow the group to develop its exploration and development assets to allow realization of those assets through commercial production and / or sale, the group is currently reliant on the following key factors:

Notes to the financial statements**1. Basis of preparation and accounting policies (continued)****Working capital (continued)**

- That the group has the ability , if warranted, to continue to raise additional funds from share placements; and
- That the group is able to realize value if it deems appropriate through the selective divestiture of assets or a sell down of its interests in projects.

The directors are confident of securing the above outcomes, if required, over the 15 month forecast period to May 2014. Since the end of the period under review the Company has completed an AU\$3,231,210 1:4 Entitlement Issue and secured up to a maximum \$7.5 million working capital funding commitment from the Australian Special Opportunity Fund, LP over the next two years.

2. Operating segments

No information is disclosed for operating segments as the management accounts that are reviewed by the board of directors only include consolidated numbers together with revenue and capital expenditure by project.

3. Loss for the half-year

Loss for the half-year includes the following items:

	31 Dec 2012 \$	31 Dec 2011 \$
Impairment of exploration costs	(181,580)	-
Impairment of oil and gas properties	(328,610)	(561,813)
Office costs	(209,527)	(202,953)
Professional fees	(748,384)	(236,164)
Employee costs	(683,758)	(703,002)

4. Exploration and evaluation assets

	31 Dec 2012 \$	30 Jun 2012 \$
a) Expenditure carried forward in respect of hydrocarbon areas of interest		
Exploration and evaluation assets - at cost	17,107,189	18,569,170

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective hydrocarbon interests.

Notes to the financial statements
4. Exploration and evaluation assets (continued)

	Six months ended 31 Dec 2012 \$	Twelve months ended 30 June 2012 \$
b) Reconciliation:		
Carrying amount at beginning	18,569,170	8,894,073
Movement in carrying value as a result of foreign currency variations	(345,308)	599,103
Additions	4,584,201	12,708,867
Sales	-	(12,815)
Transfer to production	(5,503,632)	(625,142)
Transfer to assets held for sale	-	(545,069)
Amortisation	(15,662)	-
Impairment expense *	(181,580)	(2,449,847)
Carrying amount at end of period	17,107,189	18,569,170

* Impairment expense for the period refers to prior period depletion charges of the SRH #1 & SRH #2 wells which are yet to be transferred to production but have had limited production.

5. Oil and gas properties

	31 Dec 2012 \$	30 June 2012 \$
a) Oil and gas properties		
Oil and gas properties - at cost	5,359,113	631,905
b) Reconciliation:		
- Oil and gas properties		
Carrying amount at beginning	631,905	1,343,406
Transferred from exploration	5,503,632	625,142
Movement in carrying value as a result of foreign currency variations	(10,991)	68,878
Additions	451	196,317
Transfer to assets held for sale	-	(512,819)
Impairment expense	(328,610)	(822,937)
Amortisation	(437,274)	(266,082)
Carrying amount at end	5,359,113	631,905

Impairment expense for the period refers to prior period depletion charges of the SRH #3 and SRH #4 wells which were transferred from Exploration and Evaluation during the period.

Notes to the financial statements**6. Commitments and contingencies****Commitments**

At 31 December 2012, the Group had capital commitments totaling \$4,600,000.

Several class action suits have been filed in the United States against the operator of the Dugas & Leblanc #1 well and the joint venture partners. At the date of this report, the Company does not expect any material costs to eventuate against the Company given the level of the Company's insurance. Any eventuating costs and insurance reimbursements are unable to be quantified at this time.

Paul Page & Petro Raider, LLC, a party to a previous agreement with Arturus Capital Limited in connection with the Permian leases has enjoined the Company in an action to enforce an option agreement previously entered into by Arturus Capital Limited (ASX:AKW) with the party prior to the sale of the leaseholds to the Company. The party is seeking to transfer the option agreement between themselves and AKW to a subsidiary of the Company. The Company strongly believes that the option agreement does not transfer with the acquisition of the leases. In addition the Company has an indemnity from AKW to ensure that the Company receives a 100% working interest in the leases that it purchased from AKW.

The same party in the USA has filed a claim with the Texas Railroad Commission challenging the validity of the drilling permit for the Company's SRH #5H horizontal well. The Company considers this claim to be without merit and has lodged a vigorous defence.

The Company has made demand upon AKW for enforcement of the indemnities, but has not recorded AKW as a debtor in the Company's accounts. In addition, representatives of the Company have met with key AKW shareholders and former members of management and directors of AKW for the purpose of attempting to develop a way forward for AKW that would allow it to honour its indemnities to the Company. The Company will update Company shareholders upon any material progress made with AKW.

Chalk Sea Development, Limited has commenced an action in the USA concerning a claimed 3% override royalty on the Permian Basin prospect. The action is based on an agreement entered into by the party with AKW prior to the acquisition of the leases by the Company. The Company is defending its position in this action and has an indemnity from AKW to ensure that the Company receives a 100% working interest in the leases that it purchased from AKW.

The Company issued 51,600,000 secured convertible notes during the period. These notes are secured against the production of the SRH #3 well until the SRH #5 well commences production, at which time the security transfers against this asset. In addition the noteholders are entitled to a 5% net profits payment for the first 5 years of production from the SRH #5 well. This entitlement remains with the noteholder irrespective of whether they have converted their notes into shares or remain as noteholders.

The four leases at the Permian Basin project expire on 31 March 2013, but can be maintained in perpetuity through continuous drilling. The Company has announced that it has elected to exercise its right under the leases to extend the leases for a period of up to 4 months to continue discussions with potential industry and funding partners.

Notes to the financial statements**7. Contributed equity**

Reconciliation of movement in share capital	31 Dec 2012		31 Dec 2011	
	\$	No.	\$	No.
On issue at 1 July – fully paid	104,616,230	2,384,396,755	92,539,992	1,495,191,946
Issued for cash	-	-	3,099,690	206,645,999
Issued for redemption of convertible notes	2,305,000	416,884,815	600,000	60,114,743
Application monies received not allotted	-	-	1,436,692	-
Less: Transaction costs	(317,630)	-	(398,400)	-
On issue at 31 December – fully paid	106,603,600	2,801,281,570	97,277,974	1,761,952,688

8. Dividends

No dividend has been paid or is proposed in respect of the half-year ended 31 December 2012 (2011: Nil).

9. Share Based Payments

There were no share based options issued or vested during the six months ended 31 December 2012.

10. Subsequent Events**Entitlement Prospectus**

In January 2013, the Company issued the 1:4 Entitlement Prospectus and Supplementary Prospectus. The Entitlement Issue was amended to a partially underwritten, due to the additional shares issued from the conversion of convertible notes subsequent from the date that the Underwriting Agreement was signed.

Shareholders took up their entitlements to 110,733,043 shares raising \$553,665 and also subscribed for 26,737,763 additional shares raising a further \$133,689. The balance of 508,771,194 shares, raising a further \$2,543,856 was placed with the Underwriter.

On 15 March 2013 the Company announced that the Entitlement Offer was complete except for the amount of 54,078,400 shares which could raise a further \$270,392. These amounts are the variance between the full entitlement offer and the underwritten amount. The placing of these shares reverts to the Directors of the Company to place no later than 8 May 2013 on the same terms and conditions as offered to shareholders. Directors of the Company cannot participate in this placement.

Notes to the financial statements**10. Subsequent Events (continued)****Reserves Reports**

On 9 January 2013, the Company released an independent reserve report for the Permian project.

The report attributed over 5.0 million barrels of oil equivalent (BOE) from proved (P1) and probable (P2) reserves to the Permian leasehold assets currently held in Reagan and Irion Counties, Texas. These reserves were identified as part of the Spraberry-Dean formation in the areas where GGP holds the rights to this formation.

The reserves report was prepared by MHA Petroleum Consultants, LLC (MHA), Denver, Colorado. In addition to the P1 and P2 reserves identified in the Spraberry-Dean formation, MHA also identified Contingent Resources of 10.8 million BOE from only one of three identified intervals/benches in the Wolfcamp formation with each considered by the Company to have similar potential plus one interval in the Cline formation.

The reserves report included projected income data from the estimated net reserve and contingent resources. On a 10% discounted net cash flow basis, US\$69.1 million was attributed to P1 and P2 reserves and US\$127.1 million from Contingent Resources. The economics used NYMEX oil and gas price projections plus cost estimates confirmed to be realistic by MHA.

The reserves report was based on production performance analysis within the general area of the Company's holding. In the current leasehold area, a vertical well exploitation program, using forty (40) acre spacing, was assumed for the Spraberry-Dean reservoir. The anticipated field development plan included four (4) wells drilled by the Company with existing Proved Developed reserves, twenty-seven (27) Proven Undeveloped reserves locations, and thirteen (13) Probable reserves locations. While the reserve report assumed 40 acre spacing, it also noted that some regional operators have started to develop the Spraberry-Dean formation on twenty (20) acre spacing which may add incremental reserves associated with the higher density spacing.

On 1 February 2013, the Company released a further reserve report conducted by MHA for the Bowtie, Cutlass and Acadia projects. The report attributed 1.0 million barrels of BOE from P1 and P2 reserves to the Company's working interest in these three projects. In addition, the reserve report includes projected income data from the estimated net reserves. On a 10% discounted net cash flow basis, approximately US\$10 million is attributed to P1 and P2 reserves.

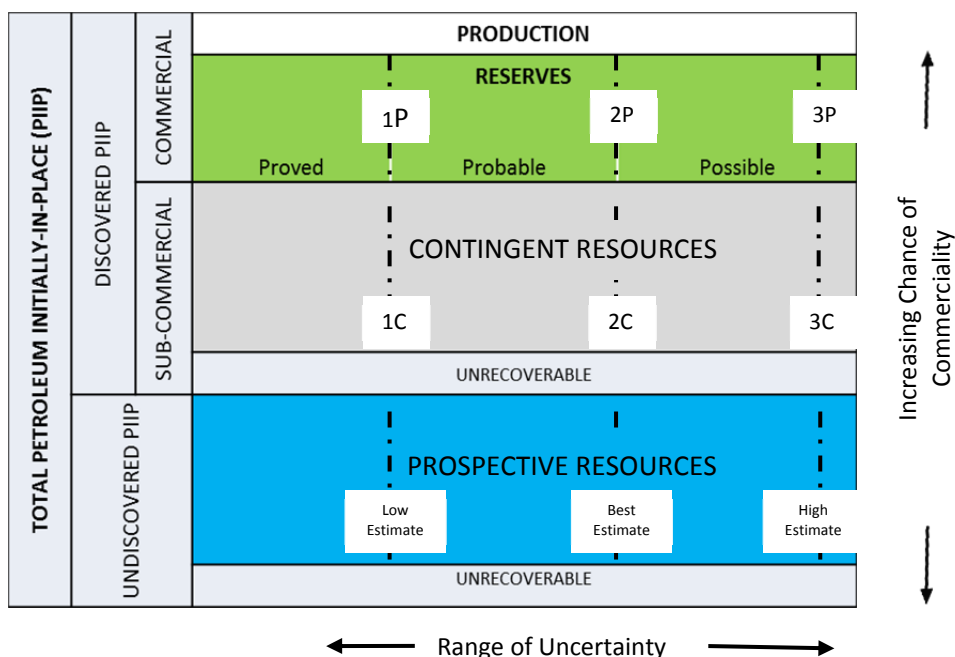
The total reported reserve position for the Company is approximately 6.0 million BOE from P1 and P2 reserves plus 10.8 million BOE of contingent resources. On a discounted net cash flow basis the total is in excess of US\$205 million.

Notes to the financial statements
10. Subsequent Events (continued)

MHA RESERVE & EVALUATION SUMMARY					
	Permian	Cutlass	Bowtie	Acadia	Total
1P Reserves					
Net Oil (MBbls)	1,867.2	162.9	1.2	53.5	2,085
Net Gas (MMCF)	8,402.4	896.1	91.6	535.4	9,926
Total 1P Reserves (MBOE)	3,267.6	312.3	16.4	142.8	3,739
PV10 (\$MM)	\$45.77	\$2.67	\$0.24	\$2.35	\$51.03
2P Reserves					
Net Oil (MBbls)	1,012.4	126.2	3.7	67.7	1,210
Net Gas (MMCF)	4,555.8	694.1	287.9	676.5	6,214
Total 2P Reserves (MBOE)	1,771.8	241.9	51.7	180.4	2,246
PV10 (\$MM)	\$23.29	\$1.05	\$0.25	\$3.26	\$27.85
Contingent Reserves					
Net Oil (MBbls)	7,193.6	-	-	-	7,194
Net Gas (MMCF)	21,580.7	-	-	-	21,581
Total Cont. Reserves (MBOE)	10,790.4	-	-	-	10,790
PV10 (\$MM)	\$127.15	-	-	-	\$127.15
Total Reserves (MBOE)	15,830	554	68	323	16,775
Project PV10 (\$MM)	\$196.21	\$3.72	\$0.49	\$5.61	\$206.03

Reserves in these reports were assigned on the basis of the Petroleum Resources Management System ("PRMS") definitions published by the Society of Petroleum Engineers (www.spe.org). These definitions are generally accepted as standard in the U.S. oil and gas industry, and this report follows these guidelines for categorizing reserves.

The relative uncertainty of reserves is characterized by reference to deterministic categories – proved, P1 ("much more likely than not"); probable, P2 ("as likely than not"); and possible, P3 ("possible, but not likely") – or in probabilistic terms. If probabilistic methods are used, there should be at least a ninety percent (90%) probability that the quantities of proved reserves actually recovered will equal or exceed the estimate. For probable and possible reserves, the exceedance probabilities are fifty percent (50%) for probable and ten percent (10%) for possible reserves.



Notes to the financial statements

10. Subsequent Events (continued)

Working Capital Funding Facility

On 13 March 2013, the Company announced that it had secured access to a maximum of AU\$7,500,000 in funds to progress the development of the Permian project from the Australian Special opportunity Fund, LP, a New York-based institutional investor, managed by The Lind Partners, LLC ("Lind").

Under the agreement, the Company will receive AU\$600,000 on execution in the form of a AU\$500,000 Convertible Security and AU\$100,000 as a prepayment for ordinary shares in the Company. Lind will further invest from AU\$100,000 to AU\$300,000 per month, in monthly share subscriptions, over the next two years.

The Company will pay Lind in the Company's shares a commencement fee of AU\$175,000 at an issue price equal to the average daily VWAP's for the 5 trading days prior to the execution date. The Company will also issue to Lind 45,000,000 options exercisable at AU\$0.02 and with an expiry date of 3 years from the execution date. Further options totaling 20% of the number of shares issued from each tranche, with an exercise price of 120% of the tranche Purchase or Conversion price, and an expiry date of 3 years from issuance will be granted to Lind.

The Agreement with Lind is secured against 50,000,000 GGP shares.



Grant Thornton

Grant Thornton Audit Pty Ltd
ACN 130 913 594

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration To The Directors of Golden Gate Petroleum

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Golden Gate Petroleum for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Nicholas E. Burne
Partner - Audit & Assurance

Melbourne, 15 March 2013

Grant Thornton Audit Pty Ltd
ACN 130 913 594

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report To the Members of Golden Gate Petroleum Limited

We have reviewed the accompanying half-year financial report of Golden Gate Petroleum Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year..

Directors' responsibility for the half-year financial report

The directors of Golden Gate Petroleum Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Golden Gate Petroleum Limited consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Golden Gate Petroleum Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Electronic presentation of reviewed financial report

This auditor's review report relates to the financial report of Golden Gate Petroleum Limited for the half-year ended 31 December 2012 included on Golden Gate Petroleum Limited's web site. The Company's directors are responsible for the integrity of Golden Gate Petroleum Limited's web site. We have not been engaged to report on the integrity of Golden Gate Petroleum Limited's web site. The auditor's review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Golden Gate Petroleum Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Nicholas E. Burne
Partner - Audit & Assurance

Melbourne, 15 March 2013