



GOLDEN GATE PETROLEUM LTD



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7 September 2009

Dear Optionholder,

Re: Non-renounceable Rights Issue

Golden Gate Petroleum Ltd (GGP or Company) has announced a one (1) for one point six nine (1.69) partially underwritten non-renounceable pro rata rights issue at an issue price of 3.5 cents per new GGP share, with one (1) free attaching quoted option for every two (2) new GGP shares issued (**Rights Issue**).

The Rights Issue will result in the issue of up to approximately 185,128,519 new GGP Shares and up to approximately 92,564,260 free attaching quoted options and will raise approximately A\$6,479,499 if all rights are taken up (based on GGP's undiluted share capital as at the date of this letter). The funds raised will be applied towards:

- funding activities on GGP's exploration projects and the costs for development activities at Bullseye;
- repayment of approximately A\$2.8m of convertible notes currently on issue; and
- meeting the costs of the Rights Issue

Under the Rights Issue, every person with an Australian, New Zealand, Hong Kong or Kazakhstan registered address who is registered as the holder of fully paid ordinary shares in the capital of GGP (**Shares**) at **5.00pm WST on 15 September 2009 (Record Date)** will be entitled to participate in the Rights Issue in respect of the number of Shares that person is then registered as the holder of.

Accordingly, to be eligible to participate in the Rights Issue in respect of the GGP Shares to be issued on exercise of the GGP options you hold, you must exercise those GGP options and be registered as the holder of the underlying GGP Shares before the Record Date.

Please note that, the Company has determined pursuant to Listing Rule 7.7.1(a) of the Listing Rules of ASX Limited ("**ASX Listing Rules**"), that it is unreasonable to make an offer pursuant to the Rights Issue to shareholders outside of Australia, New Zealand, Hong Kong and Kazakhstan. Therefore, in compliance with ASX Listing Rule 7.7.1(b), the Company is not required to make offers pursuant to the Rights Issue to shareholders registered outside of Australia, New Zealand, Hong Kong and Kazakhstan. **Accordingly, an optionholder who is resident outside of Australia, New Zealand, Hong Kong or Kazakhstan will not be able to participate in the Rights Issue upon exercise of their options.**

The purpose of this letter is to comply with the ASX Listing Rules by advising you of the impending Rights Issue and to give you adequate opportunity to exercise some or all of your GGP options prior to the Record Date so that you may participate in the Rights Issue.

To exercise some or all of your GGP options you will need to give notice in writing to GGP in accordance with the terms and conditions of issue of your GGP options, together with payment of the exercise price for each GGP option exercised.

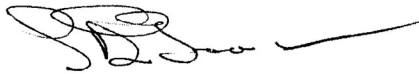
Option exercise notices must be received by no later than 5.00pm WST on 11 September 2009.

You are encouraged to read the Prospectus that was lodged with ASX on 4 September 2009 fully before exercising any of your options. If you have any queries in relation to the exercise of your options and the Rights Issue, you should consult your stockbroker or other professional adviser.

If you have any queries concerning the Rights Issue please contact Advanced Share Registry on +618 9389 8033 or the Company Secretary, Chris Bowyer on +613 9349 1488.

Yours sincerely

Golden Gate Petroleum Ltd

A handwritten signature in black ink, appearing to read 'Steve Graves', followed by a long horizontal line extending to the right.

Steve Graves
Managing Director