



# GOLDEN GATE PETROLEUM LTD



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8 September 2009

Manager Announcements  
Company Announcements Office  
Australian Securities Exchange  
10th Floor, 20 Bond Street  
SYDNEY NSW 2000

Market Release (*via electronic lodgement*)

Dear Shareholder

## **NON-RENOUNCEABLE RIGHTS ISSUE OF SHARES**

On 4 September 2009, Golden Gate Petroleum Ltd (ASX: GGP) ('**the Company**') announced a 1 for 1.69 partially underwritten pro rata non-renounceable rights issue of New Shares in the Company at an issue price of 3.5 cents for each New Share ('**Rights Issue**') together with 1 free attaching New Option for every 2 New Shares issued. The New Options are exercisable at 8 cents each on or before 31 August 2012.

This offer will be made pursuant to a prospectus ('**Prospectus**') and if you wish to participate in the Rights Issue, you will need to complete the Entitlement and Acceptance Form that will accompany the Prospectus.

A copy of the Prospectus has been lodged with ASX and is available on the ASX website ([www.asx.com.au](http://www.asx.com.au)).

Pursuant to the Listing Rules of ASX Limited ("**Listing Rules**"), the Company is required to provide to you certain information before proceeding with the Rights Issue. This letter contains all the information required by Appendix 3B of the Listing Rules.

The Rights Issue will result in the issue of up to approximately 185,128,519 New Shares in the Company and up to approximately 92,564,260 quoted New Options and will raise an estimated A\$6,479,499 if all rights are taken up (based on the Company's undiluted share capital as at the date of this letter). The issue price of the New Shares will be 3.5 cents each and the New Options will be issued for no consideration. The Company will apply for quotation of the New Shares and New Options issued pursuant to the Rights Issue on the official list of the ASX.

The Company has recently conducted a private placement of 40,000,000 shares to sophisticated Investors, who are clients of Novus Capital Limited, at 3.5 cents per share, raising an additional sum

of \$1,400,000 (before costs). These new shares rank equally with existing ordinary fully paid shares in the Company.

The Company will not be sending an offer under the Rights Issue to any security holders resident outside of Australia, New Zealand, Hong Kong or Kazakhstan.

In compliance with Listing Rule 7.7.1, the Company is of the view that it is unreasonable to make an offer under the Prospectus to security holders outside of Australia, New Zealand, Hong Kong and Kazakhstan having regards to:

- a) the number of Shareholders registered outside of Australia, New Zealand, Hong Kong and Kazakhstan;
- b) the number and value of the securities to be offered to Shareholders registered outside of Australia, New Zealand, Hong Kong and Kazakhstan; and
- c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Company will send to each of the security holders outside of Australia, New Zealand, Hong Kong and Kazakhstan details of the offer and advise them that the Company will not be making the offer to them.

The funds raised from the Rights Issue will be applied towards:

- funding exploration activities on the Golden Gate exploration projects and the costs for development activities at Bullseye;
- repaying \$2,829,382 of convertible notes currently on issue; and
- meeting the costs of the Rights Issue

It is anticipated the securities will be entered into uncertificated holdings on 13 October 2009.

The Rights Issue provides eligible Shareholders with an opportunity to increase their investment in the Company at an attractive price. The issue price of 3.5 cents per new share represents a substantial discount to the price of 5.7 cents per share at the close of trade on 7 September 2009, being the business day immediately after the day the Prospectus was lodged with the Australian Securities and Investments Commission and the ASX.

The Rights Issue will be partially underwritten upto \$5,479,499, with a further firm subscription of \$1,000,000 of the shortfall by the following:

Novus Capital Limited  
APR Nominees Pty Ltd  
Eastern Advisors Capital Ltd  
Intro Pty Ltd  
John and Anne Pavlovic  
Hiles Pty Ltd  
Towertun Pty Ltd  
Finizia and Sime Pavlovic

Troy Holmes Pty Ltd  
 Group Seventy Three Pty Ltd  
 Colvic Pty Ltd  
 Diskfin Pty Ltd  
 Alimold Pty Ltd

Novus Capital Limited will be paid \$75,000 plus 1 million Shares as a Financial Advisory Fee and an underwriting fee equal to 6% on \$3,650,117 (being approximately \$219,007). The other underwriters will receive no fee.

The Prospectus for the Rights Issue and the accompanying Entitlement and Acceptance Form will be sent to eligible shareholders on 18 September 2009.

The offer under the Rights Issue relates to fully paid ordinary shares in the capital of the Company and quoted options to acquire shares in the capital of the Company.

The Rights Issue is open for acceptance by eligible Shareholders from 18 September 2009 until 5.00pm (WST) on 2 October 2009 (subject to the Directors varying the closing date in accordance with the ASX Listing Rules). Please note that the Company's shares will be quoted on an "ex" basis from 9 September 2009, and therefore any shares bought or sold on market on and from this date will not carry entitlements under the Rights Issue.

Shareholder approval is not required for the Rights Issue.

Shares issued under the Rights Issue will be issued as fully paid ordinary shares and will rank equally with existing ordinary fully paid shares in the Company. The New Options are exercisable at 8 cents each on or before 31 August 2012. The New Options will not entitle their holder to any dividends or distributions and will need to be exercised in order to so participate.

Fractions of a share will be rounded up to the nearest whole Share where the determination of an eligible Shareholder's entitlement under the Rights Issue results in a fraction.

The total number and class of all securities quoted on ASX (including the maximum number of securities to be issued in the Rights Issue on an undiluted basis - ie. assuming no existing options are exercised) is as follows:

<b>Number</b>	<b>Class</b>	<b>\$</b>
312,867,197	Ordinary Shares on issue prior to Rights Issue (i)	65,197,009
185,128,519	New Shares to be issued under this Prospectus (i)	6,479,499
1,000,000	Shares to be issued to Novus Capital Limited	35,000
	Less: Estimated costs of the Rights Issue	<u>(380,000)</u>
<u>498,995,716</u>	<b>Total contributed equity (i)</b>	<u><u>71,331,508</u></u>

(i) It is assumed that no existing Options are exercised and that no further Shares are issued by the Company on or before the Record Date.

The Company has the following number of securities not quoted on the ASX:

<b>Number</b>	<b>Options</b>
3,250,000	54 cents Options expiring 31 December 2009
2,000,000	25 cents Options expiring 30 June 2010
17,600,000	35 cents Options expiring 30 October 2010
600,000	40 cents Options expiring 31 August 2011
<b>23,450,000</b>	

<b>Number</b>	<b>Convertible Notes</b>
14,285,714	7 cents Convertible Notes expiring 15 May 2010 *
28,571,426	7 cents Convertible Notes expiring 4 August 2010 *
38,888,888	9 cents Convertible Notes expiring 4 March 2014
<b>81,746,028</b>	

\* These holders of these Convertible Notes have committed to underwriting \$2,829,382 of this Rights Issue. Accordingly 2,437,403 Convertible Notes expiring 4 August 2010 will remain post the Entitlements Offer.

There are no holdings on different registers (or subregisters), therefore there will be no aggregation for calculating entitlements

There are no brokers to the Rights Issue and brokers will receive no handling fee for acceptances lodged by them on behalf of security holders.

The Company currently has no dividend policy.

The Rights Issue is **non-renounceable**.

As noted above, the New Shares in the Rights Issue will be offered on the basis of one New Share for every 1.69 Shares held by the shareholder on 5.00pm WST on 15 September 2009, together with 1 free attaching New Option for every 2 New Shares issued.

The proposed timetable for the Rights Issue is set out below. The following key dates are indicative only:

<b>Event</b>	<b>Date</b>
Lodgement of Appendix 3B with ASX	4 September 2009
Lodgement of Prospectus with the ASIC and ASX	4 September 2009
Notice sent to Shareholders	8 September 2009
Notice containing Appendix 3B information sent to Shareholders	8 September 2009
Ex date	9 September 2009
Record Date for Determining Entitlements	15 September 2009
Prospectus despatched to Shareholders	18 September 2009
Opening Date	18 September 2009
Closing Date* 5.00 pm (WDT)	2 October 2009
Securities quoted on a deferred settlement basis	6 October 2009
ASX notified of under subscriptions	8 October 2009
Despatch of holding statements	13 October 2009
Date of quotation of Securities issued under the Rights Issue	14 October 2009

\* The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

The Company sent a notice to option holders to notify them of their right to participate in the Rights Issue upon exercise of their options on 7 September 2009.

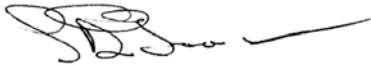
The latest date for entry of the securities into your security holdings is 13 October 2009.

The above information was provided to the ASX on 4 September 2009.

If you have any queries concerning the Rights Issue please contact Advanced Share Registry on +61 8 9389 8033 or Company Secretary, Chris Bowyer, on +61 3 9349 1488.

Yours faithfully

**Golden Gate Petroleum Ltd**

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

**Steve Graves**  
Managing Director