

GOLDEN GATE PETROLEUM LTD

ABN 34 090 074 785

SUPPLEMENTARY PROSPECTUS

IMPORTANT NOTES:

This Supplementary Prospectus contains particulars of changes to and supplements the Prospectus dated 4 September 2009 issued by Golden Gate Petroleum Ltd ABN 34 090 074 785 ("**Company**" or "**Golden Gate**") in respect of the partially underwritten pro-rata non-renounceable rights issue to Shareholders of New Shares and free attaching New Options on the basis of 1 New Share for every 1.69 Shares held on the record date of 15 September 2009, at an issue price of 3.5 cents per New Share, together with 1 free attaching New Option for every 2 New Shares issued, for the purpose of raising up to approximately \$6,479,499 ("**Original Prospectus**").

This Supplementary Prospectus is dated 18 September 2009 and a copy was lodged with the Australian Securities and Investments Commission ("**ASIC**") on that date. Neither the ASIC nor ASX Limited ("**ASX**") takes any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Original Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Original Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Original Prospectus have the same meaning in this Supplementary Prospectus.

Section 1 INTRODUCTION

The Company has issued this Supplementary Prospectus as a result of an adjustment to the pro-forma statement of financial in section 5.2 of the Original Prospectus. As such, the Original Prospectus is amended as set out in this Supplementary Prospectus.

Section 2 AMENDMENTS TO THE PROSPECTUS

2.1 Pro-Forma Statement of Financial Position

The Pro-Forma Statement of Financial Position and notes to the Pro-Forma Statement of Financial Position contained in section 5.2 is replaced with the following new Pro-Forma Statement of Financial Position and notes to the Pro-Forma Statement of Financial Position:

	Unaudited Balance Sheet as at 30/06/09	Pro-forma Balance Sheet as at 30/06/09
	\$	\$
CURRENT ASSETS		
Cash	1,381,811	5,971,928
Receivables	802,865	802,865
Prepayments	46,421	46,421
Total Current Assets	<u>2,231,097</u>	<u>6,821,214</u>
NON-CURRENT ASSETS		
Receivables	373,179	373,179
Oil & Gas Production Assets	15,445,231	15,445,231
Exploration & Evaluation Expenditure	2,556,700	2,556,700
Property, Plant & Equipment	66,483	66,483
Total Non-Current Assets	<u>18,441,593</u>	<u>18,441,593</u>
TOTAL ASSETS	<u>20,672,690</u>	<u>25,262,807</u>
CURRENT LIABILITIES		
Trade and Other Payables	9,432,182	8,432,182
Provisions	390,799	390,799
Total Current Liabilities	<u>9,822,981</u>	<u>8,822,981</u>
NON-CURRENT LIABILITIES		
Interest Bearing Liabilities	2,748,386	919,004
Provisions	637,189	637,189
Total Non-Current Liabilities	<u>3,385,575</u>	<u>1,556,193</u>
Total Liabilities	<u>13,208,556</u>	<u>10,379,174</u>
NET ASSETS	<u>7,464,134</u>	<u>14,883,633</u>
EQUITY		
Contributed equity	63,877,009	71,296,508
Reserves	1,002,184	1,002,184
Accumulated losses	(57,415,059)	(57,415,059)
TOTAL EQUITY	<u>7,464,134</u>	<u>14,883,633</u>

The above Pro forma Balance Sheet has been prepared on the basis of the following:

- (1) no existing Options are exercised prior to the Record Date, and the Company does not issue any Shares from the date of this Prospectus to the Record Date;
- (2) the Rights Issue is fully subscribed;
- (3) expenses of the Rights Issue are \$380,000 (which are written off against the Contributed Equity account);
- (4) The placement of 40,000,000 shares at 3.5c each to raise \$1,400,000 (exclusive of costs) on 1 September 2009; and
- (5) In accordance with IFRS the Company has been required to reflect the equity component of the 38,888,888 Convertible Notes (with a face value of \$3,500,000 and expiring 4 March 2014). Accordingly the equity component of the Convertible Notes has been calculated at \$2,751,614 and thus the debt component is \$748,386. The equity component relates to the ability for the Convertible Notes to convert to equity. A detailed summary of the Convertible Notes were provided to Shareholders in the notice of meeting dated 30 June 2009.
- (6) Incorporated in the Trade and Other payables is \$1,000,000 of Convertible Notes (expiring 15 May 2010).

Section 3 DIRECTORS' CONSENT AND RESPONSIBILITY STATEMENT

The Directors believe that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Supplementary Prospectus are not misleading or deceptive. The Directors who authorise the issue of this Supplementary Prospectus accept responsibility for the information contained in this Supplementary Prospectus.

This Supplementary Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

This Supplementary Prospectus has been signed by Frank Petruzzelli (Director of Golden Gate) on behalf of all of the Directors, each of whom has consented to the signature, lodgement and issue of this Supplementary Prospectus and has not withdrawn that consent before lodgement.

Signed for and on behalf of the Company



Frank Petruzzelli
18 September 2009