



# GOLDEN GATE PETROLEUM LTD

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30 October 2009

Market Release (*via electronic lodgement*)



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## ADDITIONAL CONVERTIBLE NOTE HOLDERS CONVERT NOTES TO BOTH CASH & EQUITY

Golden Gate Petroleum Ltd (ASX:GGP) is pleased to inform the market that it has agreed with Note Holders of 60% of the convertible notes issued 11 March 2009 (face value of A\$2,101,500), to extinguish their notes to both cash and equity. Total cash to be paid out as part of the arrangement is A\$671,400 with the balance converting to 66,085,714 shares and 33,046,839 listed options. The options are exercisable at 8 cents each on or before 31 August 2012.

Both the issue of the shares and options are subject to shareholder approval at the upcoming AGM. The notes that have been extinguished were subject to a potential floating interest rate based on the oil price and production at Bullseye with a maximum interest rate of 60% pa. The elimination of these convertible notes represents a significant milestone in the partial extinguishment of debt which was entered into during the height of the global financial crisis and whilst drilling the Jumonville #2 well.

### Comment

GGP had advised the market on 25 August 2009 that it was initiating discussions with its convertible note holders with a view to converting a portion of the outstanding convertible notes into equity and or cash to reduce debt. At that time several of the Note Holders had confirmed their interest to convert their notes into equity. These and subsequent discussions resulted in our earlier announcement where note holders had converted into equity under the rights issue and today's announcement that additional note holders had converted into equity and cash. Both events have significantly improved the financial position of the Company.

Since 30 June 2009 the Company's convertible note position has been reduced from \$6.5 million to \$1.5 million.

On behalf of the Board of Directors

### For further information contact:

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Golden Gate is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region of the USA.

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