



# GOLDEN GATE PETROLEUM LTD

( A B N 3 4 0 9 0 0 7 4 7 8 5 )

Level 21, Allendale Square  
77 St Georges Terrace  
Perth WA 6000  
Australia

Telephone: +61 8 9324 1177  
Facsimile: +61 8 9324 2171

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Market Release (*via electronic lodgement*)



PO Box Z5184  
Perth WA  
Australia 6831

Email: [admin@ggpl.com.au](mailto:admin@ggpl.com.au)  
Website: [www.ggpl.com.au](http://www.ggpl.com.au)

## PLACEMENT TO RAISE \$2.1M AND SHARE PURCHASE PLAN

Golden Gate Petroleum Ltd (ASX:GGP) is pleased to announce it has successfully placed 59.5 million shares for gross proceeds of approximately A\$2.1 million, primarily to sophisticated and institutional investors in Australia. The shares will be issued at a price of 3.5c each together with a 3 for 4 free attaching option exercisable at 8 cents on or before 31 August 2012 ("**Placement**"). The securities will be issued to clients of Novus Capital Ltd.

In order to accommodate shareholders, the Company will be undertaking a share purchase plan ("**SPP**") to eligible Australian and New Zealand retail shareholders (and shareholders in other jurisdictions where it is legally permissible). Subject to receiving a waiver from Listing Rule 7.2, these shareholders will have the opportunity to purchase up to A\$15,000 of new shares each at 3.1 cents per share. Pursuant to the relevant ASIC class order, the Company is not able to offer free attaching options under the SPP and accordingly has set a discounted price to the shares offered under the SPP to enable existing shareholders to benefit in a similar manner. The Company currently has approximately 4,600 retail shareholders. The record date for the SPP will be upon settlement of all trades undertaken prior to this announcement accordingly to be eligible shareholders must be on the register on 19 March 2010.

All securities will be issued under the Company's 15% capacity (in respect of the Placement) and Listing Rule 7.2 exemptions (in respect of the SPP).

The proceeds from the Placement and SPP will be used to fund:

- Drilling costs of Bowtie project
- Participation and drilling of 3 wells at Napoleonville Salt Dome
- Drilling of Silverwood project
- Repaying \$559,400 of convertible notes
- For general obligations as it continues exploration and development of the Company's United States oil and gas projects

A detailed summary of the above projects are available on the Company website: [www.ggpl.com.au](http://www.ggpl.com.au)

On behalf of the Board of Directors

### For further information contact:

Steve Graves  
Managing Director  
Phone +1 805 469 4656

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