



# GOLDEN GATE PETROLEUM LTD

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26 March 2010

Market Release (*via electronic lodgement*)



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## SHARE PURCHASE PLAN OFFER

Golden Gate Petroleum Ltd (ABN 34 090 074 785) ("**Company**") wishes to issue up to 30% of Shares currently on issue pursuant to the Golden Gate Petroleum Ltd Share Purchase Plan ("**Plan**"). The Plan offers eligible shareholders the ability to subscribe for fully paid ordinary shares in the Company ("**Shares**") through the Plan in the following parcels ("**Parcels**"):

Number of Shares	30,000	80,000	160,000	250,000	483,000
Dollar value of parcel (\$)	930	2,480	4,960	7,750	14,973

To be eligible, you were required to be registered as a holder of Shares, with a registered address in Australia or New Zealand (and Shareholders in other jurisdictions where it is legally permissible to participate in the Plan) at 5.00pm (WST) on 19 March 2010.

The Plan is underwritten up to a total of \$2.5 million by Novus Capital Limited.

As announced on 16 March 2010, the Company has successfully placed 59.5 million Shares, at 3.5 cents per Share, together with a 3 for 4 free attaching listed option exercisable at 8 cents on or before 31 August 2012, to clients of Novus Capital Ltd for gross proceeds of approximately A\$2.1 million ("**Placement**").

In order to accommodate shareholders, the Company is now undertaking the Plan. Funds raised by the Placement and the Plan will be used to fund:

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

The offer of Shares under the Plan ("**Offer**") opens on 30 March 2010 and **closes at 5pm (WST) on 13 April 2010**. No late applications will be accepted, however the directors of the Company ("**Directors**") reserve the right to extend the closing date.

The purchase price for each Share under the Plan is 3.1 cents per Share. This price is a 20% discount from the average market price of Shares in the Company sold on the Australian Securities Exchange ("**ASX**") during the previous five trading days ending on 16 March 2010, being the date on which the issue was announced.

The market price of Shares in the Company may rise or fall between the date of this Offer and the date that Shares are issued to you under this Offer. Further, the issue price may exceed the price at which you would be able to buy

Shares on the market at the same time that Shares are issued to you under this Offer. We recommend that you seek financial advice from a suitably qualified adviser before you decide to participate in this Offer.

If you are eligible to subscribe for Shares under the Plan and you wish to participate, you must subscribe for a Parcel of Shares with the attaching consideration as outlined above. The maximum number of Shares you may subscribe for under the Plan is 483,000 Shares for a consideration of \$14,973. The Company reserves the right to allot fewer Shares than an eligible shareholder applies for under the Offer, or no Shares and any determination by the Directors in respect of any scaling back will be final. If a scale back occurs, the Company will refund any excess application money to eligible shareholders (without interest).

Please carefully read the terms and conditions relating to the Offer, as you will be bound by them.

If you have any questions in respect of the Plan, the Offer, or these terms and conditions please contact Chris Bowyer on (03) 9349-1488.

On behalf of the Board of Directors

Steve Graves  
Managing Director

#### TERMS AND CONDITIONS FOR GOLDEN GATE PETROLEUM LTD'S SHARE PURCHASE PLAN

The following are the terms and conditions of the Offer under the Plan ("**Terms and Conditions**"). By accepting the offer to subscribe for Shares under the Plan, you will have agreed to be bound by these Terms and Conditions and the Company's constitution.

#### **1. Class order 09/425 issued by the Australian Securities and Investments Commission**

The Offer has been structured to comply with the Australian Securities and Investments Commission Class Order 09/425 (as may be amended from time to time) ("**ASIC Class Order 09/425**") to enable the Company to issue Shares without a prospectus.

#### **2. Opening and closing date of the Offer**

The Offer opens at 9.00am (WST) on 30 March 2010.

The Offer closes at 5pm (WST) on 13 April 2010.

No late applications will be accepted, however the Directors reserve the right to extend the closing date.

#### **3. Who is eligible to participate in the offer?**

You are eligible to apply for Shares in the Offer if:

(a) your registered address, as recorded in the Company's register of members, is in Australia or New Zealand; and

(b) you were registered as a holder of Shares as at 5pm (WST) on 19 March 2010.

The Offer to each eligible shareholder is made on the same terms and conditions. The Offer is non-renounceable (ie. you may not transfer your right to subscribe for Shares under the Offer to anyone else).

#### **4. Is the Offer voluntary?**

The Offer is entirely voluntary and is subject to these Terms and Conditions. You do not have to participate if you don't want to.

## 5. How was the issue price determined?

The issue price for each Share under the Offer is 3.1 cents. This price is a 20% discount to the average market price of Shares in the Company sold on the ASX during the previous five trading days ending 16 March 2010 being the date on which the issue was announced.

## 6. Important Information on price risk to consider

Before deciding whether to accept the Offer, you should refer to the current market price of Shares, which can be obtained from the financial pages of your daily newspaper, your stockbroker, your financial adviser, or the ASX. Please note that the market price of Shares may rise or fall between the date of this Offer and the date when the Shares are issued to you under the Plan. This means that the price you pay per Share under this Offer may be greater than or less than the price of Shares at the time the Shares are issued to you pursuant to this Offer. ***In determining whether you wish to participate in this Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your own circumstances.***

## 7. How much can you invest in the Offer?

Subject to paragraph 8, if you are an eligible shareholder under the Plan, you can subscribe for a maximum of 483,000 Shares which will cost \$14,973. The Company will offer shareholders to acquire Shares in the following parcels:

Number of Shares	30,000	80,000	160,000	250,000	483,000
Dollar value of parcel (\$)	930	2,480	4,960	7,750	14,973

Please note that the maximum limit of 483,000 Shares applies to you even if you receive more than one Offer from the Company. For example, if you are both a sole and a joint shareholder of the Company as at 19 March 2010, you can only apply for Shares under the Offer once, either in your capacity as sole shareholder or joint shareholder, not both. No fractions of Shares will be issued.

## 8. Custodian Certification

If on 19 March 2010 you are a custodian within the definition of "custodian" in ASIC Class Order 09/425 ("**Custodian**") and hold Shares on behalf of one or more persons (each a "**Participating Beneficiary**"), you may apply for up to a maximum of \$15,000 worth of Shares for each Participating Beneficiary, subject to providing a notice in writing to the Company on application for Shares pursuant to the Offer certifying:

- (a) either or both of the following:
  - (i) that the Custodian holds Shares on behalf of one or more other persons ("**Participating Beneficiaries**") that are not Custodians; and
  - (ii) that another Custodian ("**Downstream Custodian**") holds beneficial interests in Shares on behalf of one or more other persons (each a Participating Beneficiary), and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian;
 

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

    - (iii) where paragraph 8(a)(i) applies—the Custodian; and
    - (iv) where paragraph 8(a)(ii) applies—the Downstream Custodian;
 to apply for Shares on their behalf under the Plan;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;

- (d) in respect of each Participating Beneficiary, the number of Shares that the Custodian holds on their behalf;
- (e) in respect of each Participating Beneficiary:
  - (i) where paragraph 8(a)(i) applies—the number or the dollar amount of Shares they instructed the Custodian to apply for on their behalf; and
  - (ii) where paragraph 8(a)(ii) applies—the number or the dollar amount of Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$15,000:
  - (i) the Shares applied for by the Custodian on their behalf under the Plan in accordance with the instructions in paragraph 8(e); and
  - (ii) any other Shares issued to the Custodian in the 12 months before the application under the Plan as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the Plan.
- (g) that a copy of this Offer document was given to each Participating Beneficiary;
- (h) where clause paragraph 8(a)(ii) applies—the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this paragraph 8, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian. For the purpose of ASIC Class Order 09/425, you are a Custodian if you are registered holder of Shares that:

- (a) that holds an Australian financial services licence that:
  - (i) covers the provision of a custodial or depositary service; or
  - (ii) includes a condition requiring the holder to comply with the requirements of ASIC Class Order [CO 02/294]; or
- (b) that is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under:
  - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (Cth); or
  - (ii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
  - (iii) paragraph 911A(2)(h) of the Corporations Act.
- (c) that is a trustee of a:
  - (i) self-managed superannuation fund; or
  - (ii) superannuation master trust; or
- (d) that is the responsible entity of an IDPS-like scheme; or
- (e) that is the registered holder of Shares and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in paragraph 7 apply.

## 9. Shareholder Certification

Subject to paragraph 8, an eligible shareholder must, on application for Shares pursuant to the Offer, certify to the Company that the total of the application price for the following does not exceed \$15,000 in total in any consecutive 12 month period, when aggregated with the total contributions for any of the following:

- (a) the Shares the subject of the application under the Plan; and
- (b) any other Shares applied for by the Shareholder under the Plan or any similar arrangement in the 12 months before the application under the Plan; and
- (c) any other Shares which the Shareholder has instructed a Custodian to acquire on their behalf under the Plan; and
- (d) any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before the application under the Plan as a result of an instruction given by the Shareholder to the Custodian or another Custodian and which resulted in the Shareholder holding beneficial interests in the Shares.

**10. Costs of Participation**

The only cost to you associated with the Offer is the issue price of the number of Shares you wish to subscribe for. Under the Offer you do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

**11. Allotment of Shares and Variation on Number of Shares Issued**

The Shares will be allotted within 4 business days after the closing date. The Company's share registry, Advanced Share Registry Pty Ltd, will send to you a holding statement in due course. Without limiting the above, the Company reserves the right to allot fewer Shares than an eligible shareholder applies for under the Offer or no Shares, in the Company's discretion or if the Company believes the allotment of those Shares would contravene any law or the ASX Listing Rules. No interest will be paid on any money returned.

**12. What Rights Will the Shares Carry?**

Once the Shares are issued, they will rank equally with existing Shares in the Company and will carry the same voting rights, dividend rights, and entitlements to dividends, rights and bonus issues.

**13. Can the Company Change the Plan?**

The Plan may be changed, suspended or terminated by the Company at any time. If the Company changes, suspends or terminates the Plan it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the Plan or the non-receipt of any such notice will not invalidate the change, suspension or termination.

**14. Directors' Participation**

The directors of the Company, as eligible shareholders, may participate in the Offer (without having to obtain shareholder approval), on the same terms as all other shareholders in the Company.

**15. How Do You Pay for the Shares?**

All amounts in this Offer are expressed in Australian dollars. You must pay for the Shares by cheque, bank draft, Bpay or money order in Australian dollars. Please make your cheque, bank draft or money order payable to "**Golden Gate Petroleum Ltd**" and cheques are crossed "**Not Negotiable**". Your specific Bpay details are included on the Share Purchase Plan Application Form.

**16. Please provide a cheque, bank draft or money order for the exact amount.**

If you do not provide the exact amount, the Company reserves the right to return your Application Form and cheque, bank draft or money order. If the Company returns your Application Form and cheque, bank draft or money order, no Shares will be allotted to you. The number of Shares you may subscribe for is set out in section 7. You may apply for any number of Shares as set out in section 7.

**17. Will the Shares be quoted on the ASX?**

The Company will apply for the Shares allotted to you to be quoted on ASX, within the relevant period specified in the ASX Listing Rules.

**18. How is a Dispute Resolved?**

The Company may settle any dispute in connection with the Plan in any manner it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision shall be final and binding. The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions.

## HOW DO YOU APPLY FOR SHARES UNDER THE OFFER

1. If you want to participate in this Offer please carefully read the Terms and Conditions relating to the Offer.
2. Complete all the required details in the enclosed Application Form, noting that all amounts are expressed in Australian dollars:
  - (i) Tick the box corresponding to the number of Shares you want to subscribe for.
  - (ii) Complete the cheque details section and ensure that the "Amount" section corresponds to the exact amount payable for the Shares you wish to subscribe for.
  - (iii) Insert your telephone contact numbers so that we may contact you if necessary.
  - (iv) You do not need to sign the Application Form.
3. Ensure your cheque, bank draft or money order is made out for the exact amount of the Share parcel you want to subscribe for, payable to "**Golden Gate Petroleum Ltd**" and cheques crossed "**Not Negotiable**".
4. Return the completed Application Form, together with the cheque, bank draft or money order to Advanced Share Registry Pty Ltd to:

Advanced Share Registry 150 Stirling Highway Nedlands WA 6009	Advanced Share Registry Ltd PO Box 1156, Nedlands Western Australia 6909
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5. There is no requirement to return the Application Form if you are paying electronically via Bpay.
6. Ensure that your completed Application Form and payment reach Advanced Share Registry Pty Ltd by the closing date of the Offer being no later than 5pm (WST) on 13 April 2010. **No late applications will be accepted, although the Directors reserve the right to extend the closing date.**

In determining whether you wish to participate in this Offer you should seek personal financial and/or taxation advice referable to your own circumstances.

**By accepting this Offer you agree to be bound by the Terms and Conditions of the Offer and the Constitution of the Company.**