

**GOLDEN GATE PETROLEUM LTD**

**(ABN 34 090 074 785)**

**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**PROXY FORM**

**Date of Meeting**

30 November 2005

**Time of Meeting**

2.30pm

**Place of Meeting**

Shangri-La Hotel  
Room Essex I  
The Rocks, 176 Cumberland Street  
Sydney, NSW

**GOLDEN GATE PETROLEUM LTD**  
**ABN 34 090 074 785**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders of Golden Gate Petroleum Ltd ABN 34 090 074 785 ("Company") will be held at the Shangri-La Hotel, Rm Essex I, The Rocks, 176 Cumberland Street, Sydney, NSW on Wednesday the 30th November 2005, at 2.30pm EST for the purpose of transacting the following business.

**AGENDA**

**BUSINESS**

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

**ORDINARY BUSINESS**

**2005 ACCOUNTS**

To receive, consider and adopt the financial report of the Company for the year ended 30 June 2005, and the reports by the Directors and Independent Auditors.

**RESOLUTION 1 ELECTION OF DIRECTOR**

That shareholders consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**.

*"That, for all purposes, Mr Mark Freeman offers himself for election, is elected as a director."*

**RESOLUTION 2 ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)**

That shareholders consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**.

*"That the Remuneration Report be adopted."*

The Remuneration Report is set out in the 2005 Annual Report, Please note that the vote on this resolution is advisory only, and does not bind the directors of Golden Gate Petroleum Ltd.

**RESOLUTION 3 - RATIFYING THE ISSUE OF 6,667,066 SHARES**

That shareholders consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited, the Company approves and ratifies the allotment and issue of 6,667,066 Shares in the capital of the Company at a price of 30 cents per Share to the parties specified in, and on such terms and conditions referred to in the Explanatory Memorandum."*

**Voting Exclusion** - For the purposes of ASX Listing Rule 7.4, the Company will disregard any votes cast on this resolution by a person who participated in the issue and any associate of such a person. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### RESOLUTION 4 - RATIFICATION OF THE ISSUE OF OPTIONS TO DON BOYD

That shareholders consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That pursuant to Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited, the Company approves and ratifies the grant of 300,000 unlisted options to Don Boyd exercisable at 33 cents expiring on or before 1 December 2008 and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

**Voting Exclusion** - For the purposes of ASX Listing Rule 7.4, the Company will disregard any votes cast on this Resolution by Don Boyd and any person associated with Don Boyd. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### RESOLUTION 5 – ISSUE OF OPTIONS TO DIRECTORS

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.11 of the Listing Rules of the Australian Stock Exchange Limited, Sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue of 3,000,000 unlisted options to Mr Sam Russotti (or his nominee) and 500,000 unlisted options to Mr Frank Petruzzelli (or his nominee), in each case exercisable at 22 cents expiring on or before 1 December 2008 and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

**Voting Exclusion** - For the purposes of ASX Listing Rule 10.13 and section 224 of the Corporations Act, Sam Russotti and Frank Petruzzelli and any person associated with Messrs Russotti and Petruzzelli must not cast a vote on this Resolution. Messrs Russotti and Petruzzelli and any person associated with them may however, cast a vote if:

- (a) it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of Messrs Russotti or Petruzzelli and any person associated with them.

By order of the Board



Mr Mark Freeman  
Director & Company Secretary  
Dated: 25 October 2005

**PROXIES** - A shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If two proxies are appointed and the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes. A proxy may, but need not be, a shareholder of the Company. Proxy forms must reach the Company at least 48 hours prior to the meeting. For the convenience of shareholders, a proxy form is attached.

**GOLDEN GATE PETROLEUM LIMITED**  
**ABN 34 090 074 785**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolution.

**ELECTION OF DIRECTORS**

Resolution 1 relates to the election of a director. In accordance with clause 69.2 of the Company's Constitution, Mr Freeman will retire at the Annual General Meeting.

Mr Freeman was appointed 7 October 2005, he retires in accordance with the Company's Constitution and offers himself for re-election.

A summary of Mr Freeman's qualifications and experience is provided below:

**Mark Freeman BCom, CA, ASIA, Age 30**

Mr Freeman has extensive experience in capital markets with a focus on resource focussed companies.

Mr Freeman has been the company secretary of the Company since 2001. Mr Freeman holds a Bachelor of Commerce degree from the University of Western Australia, is an Associate of the Securities Institute of Australia and is a member of the institute of Chartered Accountants. Prior to holding this position he worked for Andersen and ERG.

Mr Freeman is currently a Non-Executive Director of Ming Resources PLC and Liberty Gold NL.

**RESOLUTION 2 – REMUNERATION REPORT (NON BINDING RESOLUTION)**

The directors' report for the year ended 30 June 2005 contains a remuneration report, which sets out the policy for the remuneration of directors.

The Corporations Act requires that a resolution be put to shareholders to vote that the remuneration report be adopted. The Corporations Act expressly provides that the vote is advisory only and does not bind the Directors or the Company. Securityholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the remuneration report.

The full Remuneration Report is available on [www.ggpl.com.au](http://www.ggpl.com.au) (under "Investor Relations"), and is included in the 2005 Annual Report.

**RESOLUTION 3 – RATIFYING THE ISSUE OF 6,667,066 SHARES**

The Company previously announced on 18 November 2004 the placement of 6,667,006 Shares at an issue price of 30 cents to various equity holders to raise \$2 million.

**Approvals Required**

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of the Company to enlarge its capital by the issue of equity securities.

ASX Listing Rule 7.1 provides generally that a company may not issue shares or options to subscribe for shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval.

Listing Rule 7.4 enables shareholders to ratify previous issues by the Company in order to refresh the Company's ability to issue 15% of its issued capital under Listing Rule 7.1. This will leave the Company with the flexibility to issue equity securities in the future up to the 15% threshold.

Under this resolution, the Company seeks from Shareholders approval for, and ratification of, the issues of securities set out below so as to limit the restrictive effect of ASX Listing Rule 7.1 on any further issues of securities in the next 12 months.

All Shares were issued on 19 November 2004 at an issue price of 30 cents each. ASX Listing Rule 7.5 requires the following information to be given to Shareholders:

The allottees were:

|                                   |                  |
|-----------------------------------|------------------|
| Aeneas Portfolio Company LP       | 3,333,533 shares |
| Tiedemann Global Emerging Markets | 3,333,533 shares |

The issued Shares are fully paid ordinary shares in the Company and rank equally with the existing Shares in the Company.

The Company has used the funds raised for the purposes of providing working capital for drilling programs on its interests in the Bethany Project.

The Board believes that the ratification of this issue is beneficial for the Company.

The Board recommends Shareholders vote in favour of this resolution as it allows the Company to ratify the above issue of Shares and retain the flexibility to issue further equity securities representing up to 15% of the Company's share capital during the next 12 months.

#### **RESOLUTION 4 – RATIFICATION OF THE ISSUE OF OPTIONS TO DON BOYD**

On 15 December 2004 the Board issued Mr Don Boyd, Bethany Project Manager, with 300,000 incentive options in accordance with a services agreement. The options are exercisable at 33 cents on or before 1 December 2008 and otherwise on the terms set out in Appendix A to this Explanatory Memorandum. Each option entitles the holder to subscribe for one Share on payment of the exercise price.

#### **Approvals Required**

Under this resolution, the Company seeks from Shareholders approval for, and ratification of, the issues of securities set out below so as to limit the restrictive effect of ASX Listing Rule 7.1 on any further issues of securities in the next 12 months.

For the purposes of Listing Rule 7.5, the following information is provided to shareholders:

1. The total number of options granted was 300,000;
2. The options were granted as part remuneration pursuant to a services agreement;
3. The terms and conditions of the options granted are set out in Appendix A to this Explanatory Memorandum;
4. The allottee was Mr Don Boyd; and
5. No funds were raised by the grant of options.

The Board believes that the ratification of this issue is beneficial for the Company.

The Board recommends Shareholders vote in favour of this resolution as it allows the Company to ratify the above grant of options and retain the flexibility to issue further equity securities representing up to 15% of the Company's share capital during the next 12 months.

#### **RESOLUTION 5 - ISSUE OF OPTIONS TO DIRECTORS**

Subject to obtaining shareholder approval, the Board has resolved to issue Mr Sam Russotti (or his nominee) 3,000,000 options and Mr Frank Petruzzelli (or his nominee) 500,000 options exercisable at 22

cents and otherwise on the terms set out in Appendix B to this Explanatory Memorandum. Each option entitles the holder to subscribe for one Share on payment of the exercise price. This Resolution seeks shareholder approval for the issue of these options.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in relation to this Resolution. These are summarised below.

### ***ASX Listing Rule 10.11***

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of the Company. If this resolution is passed, securities will be issued to Messrs Russotti and Petruzzelli (or their nominees), who are related parties of the Company by virtue of their being Directors of the Company.

Accordingly, approval for the issue of securities to Messrs Russotti and Petruzzelli is required pursuant to ASX Listing Rule 10.11. Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the options to Messrs Russotti and Petruzzelli as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of securities to Messrs Russotti and Petruzzelli will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to this resolution:

- (a) the number of options to be granted by the Company is 3,000,000 to Mr Russotti and 500,000 to Mr Petruzzelli (or their nominees);
- (b) the options will be granted for nil consideration and therefore no funds will be raised from the grant of the options;
- (c) the options will be granted within one month of the date of the meeting;
- (d) the purpose of the issue of the options is to give Messrs Russotti and Petruzzelli an incentive to provide dedicated and ongoing commitment to the Company and to preserve the Company's cash funds; and
- (e) the options will be issued on the terms and conditions set out in Appendix B of this Explanatory Memorandum.

### ***Section 208 of the Corporations Act***

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

As mentioned above, Messrs Russotti and Petruzzelli are related parties of the Company due to the fact that they are directors of the Company.

In the current circumstances, the issue of the options to Messrs Russotti and Petruzzelli constitutes a "financial benefit" as defined in the Corporations Act. Further, Messrs Russotti and Petruzzelli are a related party of the Company as defined under the Corporations Act. Accordingly, the proposed issue of options to Messrs Russotti and Petruzzelli (or their nominees) constitutes the provision of a financial benefit to a related party of the Company.

### ***Sections 217 to 227 of the Corporations Act***

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to shareholders in respect of the proposed financial benefit to be given Messrs Russotti and Petruzzelli:

- (a) The related parties to whom the financial benefit will be given are the directors of the Company, Messrs Russotti and Petruzzelli (or their nominees).
- (b) The nature of the financial benefit to be provided is the grant of options for nil consideration. The number of options to be granted is 3,000,000 to Mr Russotti and 500,000 to Mr Petruzzelli. This number of options was negotiated by the independent Director, Mr Mark Freeman, with each of Messrs Russotti and Petruzzelli after the Company undertook an external review of the remuneration paid to directors of oil and gas exploration companies of a similar size to the Company. Mr Freeman

considers this number of options to be appropriate remuneration for them in light of their respective skill and experience and when considered together with their salary and other remuneration detailed below.

- (c) The remaining independent Director (Mr Freeman) recommends that shareholders vote in favour of the resolution as he is of the view that the issue of options to Messrs Russotti and Petruzzelli preserves the cash resources of the Company during its project development phase, and at the same time provides an added incentive to those Directors to create shareholder wealth. Mr Freeman considers that the incentive represented to the Directors by the grant of these options is a cost effective and efficient reward from the point of view of the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation.

All of the Directors were available to consider the proposed resolution but Messrs Russotti and Petruzzelli declined to make a recommendation in relation to the resolution due to the fact that they have a material personal interest in its outcome.

- (d) If shareholders approve the issue of options to Messrs Russotti and Petruzzelli, and all of the options are exercised, the effect will be to dilute the shareholding of existing shareholders by approximately 2.46% on an undiluted basis and based on the number of Shares on issue as at the date of this Notice. Further detail of the effect on the Company's capital structure is set out below under the heading "Potential Effect of Capital Structure".

The exercise of the options will also increase the cash reserves of the Company by \$770,000.

- (e) The market price for Shares during the term of the options would normally determine whether or not Messrs Russotti and Petruzzelli exercise the options. If, at the time any of the options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the options, there may be a perceived cost to the Company.
- (f) In the 12 months before the date of this notice, the highest, lowest and last trading price of Shares on ASX are as set out below:

|         | Date            | Price (cents) |
|---------|-----------------|---------------|
| Highest | 17 January 2005 | 36            |
| Lowest  | 17 May 2005     | 12.5          |
| Last    | 18 October 2005 | 20            |

- (g) The existing holdings of Messrs Russotti and Petruzzelli in the Company are as follows:

|                   | Ordinary Shares      | Options over Ordinary Shares |           |            |                     |
|-------------------|----------------------|------------------------------|-----------|------------|---------------------|
|                   |                      | Listed                       | Un-Listed | Expiry     | Exercise price (\$) |
| Sam Russotti      | 272,362 <sup>1</sup> | -                            | 480,000   | 31/05/2006 | 0.20                |
|                   |                      |                              | 480,000   | 18/02/2007 | 0.44                |
|                   |                      |                              | 700,000   | 11/8/2006  | 0.30                |
|                   |                      |                              | 400,000   | 1/12/2008  | 0.33                |
| Frank Petruzzelli | 51,520               | -                            | 480,000   | 31/05/2006 | 0.20                |
|                   |                      |                              | 300,000   | 1/12/2008  | 0.33                |

- 1: 201,482 of these shares are held by Mr Russotti on behalf of other people and are not beneficially owned by Mr Russotti.

- (h) The value of the options to be granted to Messrs Russotti and Petruzzelli has been calculated using the Black & Scholes Option Pricing Model (Black & Scholes Model), which is the most widely used and recognised model for pricing options. The details of the valuation is set out below under the heading "Valuation of Options".

Based on the assumptions used for the Black & Scholes Model, the options have been valued at 5.82 cents each. This equates to a total value of \$29,100 for the options to be issued to Mr Petruzzelli and \$174,600 for the options to be issued to Mr Russotti.

- (i) In addition to the 3,000,000 options, Mr Russotti will receive a base salary of \$140,000 (exclusive of statutory superannuation) per annum for his role as an executive Director of the Company and will be provided with the use of a motor vehicle, the value of which is estimated to be \$11,592. The total financial benefit to be received by Mr Russotti in the current period is therefore \$338,792, including the options.
- (j) In addition to the 500,000 options, Mr Petruzzelli will be paid \$35,000 (inclusive of statutory superannuation) per annum in directors fees for his role as a non-executive Director of the Company. The total financial benefit to be received by Mr Petruzzelli in the current period is therefore 64,100, including the options.
- (k) Other than as set out in this Notice and Explanatory Memorandum the Company considers that from an economic and commercial point of view there are not any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by the Company resulting from the issue of the options pursuant to this resolution. In accordance with International Financial Reporting Standards, under AASB 2 "Share-based Payments", the Company will be required to recognise an expense in the Statement of Financial Performance in respect of the value of these options.
- (l) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by this resolution.

**Valuation of Options**

The options have been valued using the Black & Scholes Model by the Company's advisers and based upon the following assumptions:

1. Options expire 1 December 2008 and are exercisable at 22 cents;
2. the market trading price of the Shares at the time the Company agreed to issue the options, being was 20 cents;
3. Interest rate of 5.31%;
4. Volatility range of 40% to 80% with a mid volatility factor of 60%. The share price in Golden Gate Petroleum is heavily dependent upon oil and gas exploration success. Taking into account the current share price (towards the high of the past 6 months), the term of the Options and other volatilities common in the oil and gas exploration industry, a volatility range of 40% to 80% is reasonable.
5. The valuations ascribed to the various options may not necessarily represent the market price of the options at the date of the valuation;
6. A discount of 30% has been applied as the options will not be listed. Anecdotal evidence suggests a discount of between 20% and 50% is common;
7. The valuation date is 19 October 2005 (9 am) although the Options will not be granted until shareholders approval on or around 30 November 2005; and
8. Based on the above assumptions the value of the Options fall in the following range:

At a 40% volatility            4.12 cents  
**At a 60% volatility        5.82 cents**  
 At a 80% volatility           7.38 cents

The Company has applied a mid range volatility of 60% for the purposes of this valuation. Based on the assumptions and advice from the Company's advisers, it is considered that the estimated value of options to be issued to the Directors is 5.82 cents per option.

**Potential Effect on Capital Structure**

The potential effect that this resolution could have on the capital structure of the Company is summarised in the table below:

| Event                              | Shares      | Options    |
|------------------------------------|-------------|------------|
| Current                            | 138,426,951 | 42,451,369 |
| Post Issue of options to Directors | 138,426,951 | 45,951,369 |

Notes:

The 42,451,369 unissued ordinary shares under option are broken down as follows:

| Number of Options |               | Exercise Price | Expiry Date |
|-------------------|---------------|----------------|-------------|
| 28,466,369        | Listed (GGPO) | \$0.65         | 31-Dec-06   |
| 960,000           | Unlisted      | \$0.20         | 31-May-06   |
| 11,000,000        | Unlisted      | \$0.30         | 11-Aug-06   |
| 800,000           | Unlisted      | \$0.44         | 18-Feb-07   |
| 25,000            | Unlisted      | \$0.32         | 2-Mar-07    |
| 200,000           | Unlisted      | \$0.33         | 19-Aug-08   |
| 1,000,000         | Unlisted      | \$0.33         | 1-Dec-08    |
| <u>42,451,369</u> |               |                |             |

**Enquiries** - Shareholders are invited to contact Mr Mark Freeman, Director & Company Secretary, on (08) 9324 1177 if they have any queries in respect of the matters set out in these documents.

#### GLOSSARY

"**ASX**" means Australian Stock Exchange Limited;

"**Company**" or "**Golden Gate**" means Golden Gate Petroleum Ltd ABN 34 090 074 785;

"**Directors**" means Directors of the Company;

"**Explanatory Memorandum**" means this information attached to the Notice, which provides information to shareholders about the resolutions contained in the Notice;

"**Notice**" means the notice of meeting which accompanies this Explanatory Memorandum; and

"**Shares**" means fully paid ordinary shares issued in the capital of the Company.

## Appendix A – Options Issued to Don Boyd under Resolution 4

The material terms and conditions of the options are as follows:

- (i) Each option entitles the holder to subscribe for one Share in Golden Gate Petroleum Ltd (“GGP”).
- (ii) Application will not be made to ASX for Official Quotation of the options.
- (iii) The options will be issued for free and are exercisable on or before 1 December 2008 (“Expiry Date”) by completing an option exercise form and delivering it to GGP’s share registry.
- (iv) The Options vest as follows:
  - (a) Options are exercisable as they vest on or after 1 December 2005;
  - (b) The vesting of the options are subject to continued employment with the Company. Where employment ceases with the Company prior to the vesting period the options vest pro-rata over time; and
  - (c) In the event of termination for cause no new options would vest.
- (v) The option exercise price is \$0.33 per Share.
- (vi) The options are not transferable, without prior approval of the Board.
- (vii) All Shares issued upon exercise of the options will rank equally in all respects with GGP then issued Shares. GGP will apply for quotation by ASX within 3 business days of all Shares issued upon exercise of the options.
- (viii) There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, GGP will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 9 business days after the issue is announced. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- (ix) There will be no change to the exercise price of the options or the number of Shares over which the options are exercisable in the event of GGP making a pro rate issue of Shares or other securities to the holders of Shares in GGP (other than a Bonus Issue as defined in paragraph (ix) below).
- (x) If there is a bonus issue (“Bonus Issue”) to the holders of Shares in GGP, the number of Shares over which the options are exercisable will be increased by the number of Shares which the holder would have received if the options had been exercised before the record date for the Bonus Issue (“Bonus Shares”). The Bonus Shares must be paid up by GGP out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of the class on issue as at the date of issue of the Bonus Shares.
- (xi) In the event of a reconstruction (including consolidation, subdivision, return, reduction or pro rata cancellation) of the issued capital of GGP prior to the Expiry Date, the number of options to which each holder is entitled or the exercise price of the options or both shall be reconstructed (as appropriate) in accordance with the requirements of the Listing Rules which apply at that time.
- (xii) The Company will at least 20 Business Day before the Expiry Date of the options send notices to the option holders stating the name of the option holder, the number of options held and the number of Shares to be issued on exercise of the options, the exercise price, the due date for payment and the consequences of non-payment.

## Appendix B – Options Issued to Directors under Resolution 5

The material terms and conditions of the options are as follows:

- (i) Each option entitles the holder to subscribe for one Share in Golden Gate Petroleum Ltd (“GGP”).
- (ii) Application will not be made to ASX for Official Quotation of the options.
- (iii) The options will be issued for free and are exercisable on or before 1 December 2008 (“Expiry Date”) by completing an option exercise form and delivering it to GGP’s share registry.
- (iv) The option exercise price is \$0.22 per Share.
- (v) The options are not transferable, without prior approval of the Board.
- (vi) All Shares issued upon exercise of the options will rank equally in all respects with GGP then issued Shares. GGP will apply for quotation by ASX within 3 business days of all Shares issued upon exercise of the options.
- (vii) There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, GGP will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 9 business days after the issue is announced. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- (viii) There will be no change to the exercise price of the options or the number of Shares over which the options are exercisable in the event of GGP making a pro rate issue of Shares or other securities to the holders of Shares in GGP (other than a Bonus Issue as defined in paragraph (ix) below).
- (ix) If there is a bonus issue (“Bonus Issue”) to the holders of Shares in GGP, the number of Shares over which the options are exercisable will be increased by the number of Shares which the holder would have received if the options had been exercised before the record date for the Bonus Issue (“Bonus Shares”). The Bonus Shares must be paid up by GGP out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of the class on issue as at the date of issue of the Bonus Shares.
- (x) In the event of a reconstruction (including consolidation, subdivision, return, reduction or pro rata cancellation) of the issued capital of GGP prior to the Expiry Date, the number of options to which each holder is entitled or the exercise price of the options or both shall be reconstructed (as appropriate) in accordance with the requirements of the Listing Rules which apply at that time.
- (xi) The Company will at least 20 Business Day before the Expiry Date of the options send notices to the option holders stating the name of the option holder, the number of options held and the number of Shares to be issued on exercise of the options, the exercise price, the due date for payment and the consequences of non-payment.

# GOLDEN GATE PETROLEUM LIMITED

ABN 34 090 074 785

## PROXY FORM

### Shareholder's Name and Address

Please write your name(s) above

Please write your address above

### Appointment of Proxy

I/We appoint as proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairman see fit) at the Annual General Meeting of the Company to be held at the Shangri-La Hotel, Rm Essex I, The Rocks, 176 Cumberland Street, Sydney, NSW on 30 November 2005, at 2.30 pm (and at any adjournment thereof).

or the Chairman of the meeting

Name and address of person you are appointing as your first proxy (if not the meeting Chairman) and/or failing him

### Appointing a Second Proxy

Name and address of person you are appointing as your second proxy (if not the meeting Chairman)

Proxy 1 is appointed to represent .....% of my voting right, or if 2 proxies are appointed, Proxy 1 represents .....% and Proxy 2 represents .....% of my total votes. My total voting right is ..... shares. **Note: If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.**

### Ordinary Business

|  | For                  | Against              | Abstain*             |
|--|----------------------|----------------------|----------------------|
| 1 Election of Mark Freeman                         | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 2 Adopt the Remuneration Report (non binding vote) | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 3 Ratifying issue of 6,667,066 Shares              | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 4 Ratifying issue of options to Mr Don Boyd        | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 5 Issue of options to Directors                    | <input type="text"/> | <input type="text"/> | <input type="text"/> |

\*If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item.

If the chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that the votes cast by the chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

### Contact Email address

### Contact Telephone Number

### Signature(s)

Shareholder 1

Director

Shareholder 2

Director/Secretary

Shareholder 3

Sole Director and Secretary

Proxies may be lodged either by facsimile on (08) 9324 2171, by mail to PO Box 453, West Perth, 6872, Western Australia or delivery to the registered office of the Company at Ground Floor, 8 Colin Street, West Perth, Western Australia. To be valid, a proxy form must be received by the Company no later than 48 hours before the time appointed for the Annual General Meeting. For assistance in completing this form, please refer to the rear of this form.

## **INSTRUCTIONS FOR COMPLETION OF THE PROXY FORM**

### **Shareholders Name**

This is the name of the shareholder as it appears on the Company's share register. For the purposes of this Annual General Meeting, shares will be taken to be held by those persons who are the registered holders thereof 48 hours before the time appointed for the commencement of this Annual General Meeting.

### **Appointment of Proxy**

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two other persons (whether shareholders or not) as proxy or proxies to attend in the shareholder's place at the Annual General Meeting. The proxy has the same right as the shareholder to speak and vote at the Annual General Meeting. If you leave this section blank, the Chairman of the meeting will be your proxy to vote your shares even if you attend the Annual General Meeting (unless you revoke your proxy before the meeting).

### **Vote on Resolutions**

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution/s you wish to direct your proxy to vote on. If you do so, all your shares will be voted in accordance with your direction. You can split your vote on any resolution/s by inserting the number/s of shares you wish to vote in the appropriate box/es. Please ensure you clearly mark the box in black or blue ink by placing a mark or the number of shares you are voting.

### **Appointing a Second Proxy**

If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.

### **Contact Telephone**

This will help us if there are any problems with your proxy form.

### **Signature(s)**

Each shareholder must sign this form. If your shares are held in joint names, all shareholders must sign in the boxes. If you are signing as an Attorney, then the Power of Attorney must have been noted by the Company or be duly stamped and accompany this form. Only duly authorised officer(s) can sign on behalf of a Company. Please sign in the boxes provided which state the office held by the signatory.

### **Delivery of Proxy**

To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting, that is by 2.30 pm on the **28 November 2005**, by post or facsimile to the respective addresses stipulated in this proxy form.

### **Chairman's Voting Intentions**

The Chairman intends to vote in favour of the resolutions set out in the Notice.