



**GOLDEN GATE PETROLEUM LTD**

**(ABN 34 090 074 785)**

**NOTICE OF GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

**Date of Meeting**

6 May 2010

**Time of Meeting**

2.30pm (Melbourne time)

**Place of Meeting**

566 Elizabeth Street

MELBOURNE

VICTORIA 3000

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

**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the General Meeting of the shareholders of Golden Gate Petroleum Ltd ABN 34 090 074 785 ("**Company**") will be held at 566 Elizabeth Street, Melbourne Victoria on 6 May 2010, at 2.30pm (Melbourne time) for the purpose of transacting the following business.

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

**AGENDA**

**ORDINARY BUSINESS**

**RESOLUTION 1 – RATIFICATION OF THE ISSUE OF 59,500,000 SHARES AND 44,625,000 OPTIONS**

That Shareholders 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 7.4 and for all other purposes, the Company ratify the allotment and issue of 59,500,000 Shares at an issue price of 3.5 cents per Share and 44,625,000 free attaching listed Options exercisable at 8 cents each and expiring on or before 31 August 2012 on the basis of 3 free Options for every 4 Shares issued to the parties specified in, and on such terms and conditions referred to in the Explanatory Memorandum."*

**Voting Exclusion** - The Company will disregard any votes cast on this Resolution 1 by any person who participated in the issue the subject of Resolution 1 and any person associated with those persons. 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 the vote 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 2 - APPROVAL OF PROPOSED ISSUE OF SHARES**

That Shareholders 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 7.1 and for all other purposes, the Company approves the allotment and issue of up to 80,645,161 Shares at an issue price of 3.1 cents per share to the parties specified in, and on such terms and conditions referred to in the Explanatory Memorandum."*

**Voting Exclusion** - The Company will disregard any votes cast on this Resolution 2 by any person who may participate in the proposed issue, any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. 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 the vote 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.

**OTHER BUSINESS**

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

For the purposes of Resolutions 1 and 2, the definitions as set out in the glossary to the Explanatory Memorandum apply.

**VOTING AND PROXIES**

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the 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.

3. In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the general meeting. The date is 4 May 2010 at 5pm (Melbourne time).
4. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form. Proxy forms must reach the Company at least 48 hours prior to the meeting.

By order of the Board

Mr Chris Bowyer  
Company Secretary  
Dated: 6 April 2010

## **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 General Meeting of Golden Gate Petroleum Limited ("**Company**"). The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions. Details of definitions and abbreviations used in this Explanatory Memorandum are set out in the Glossary.

## **RESOLUTION 1 AND 2 INTRODUCTION**

On 16 March 2010 the Company advised the market that it had agreed to place 59,500,000 Shares at 3.5 cents per Share and 44,625,000 free attaching Options (each Option having an exercise price of 8 cents and expiry date of 31 August 2012) to sophisticated investors through a private placement raising the sum of \$2,082,500 (before costs) (the "**Placement**"). The Shares were issued 31 March 2010 and the Options are expected to be issued on or about 10 April 2010.

The Company also announced that in order to accommodate Shareholders, the Company would 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). These Shareholders will have the opportunity to purchase up to A\$14,973 worth 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.

On 26 March 2010 the Company further announced that in order to ensure adequate funds would be raised by the SPP the Company secured an underwriting by Novus Capital Ltd of up to a total of \$2,500,000 (being 80,645,161 Shares at 3.1c per Share) in respect of the SPP. This ensures that minimum funds raised under the Placement and the SPP will be at least \$4,600,000. In the event that the SPP raises an amount greater than \$2.5m no further funds will be raised from the Underwriter. The proceeds from the Placement and the SPP 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.
- For general obligations as the Company 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)

## **RESOLUTION 1 - RATIFICATION OF THE ISSUE OF 59,500,000 SHARES AND 44,625,000 OPTIONS**

### **Approvals Required**

Under ASX Listing Rule 7.1 the Company is permitted to issue up to 15% of its equity securities within any 12 month period without the requirement to obtain Shareholder approval. Whilst Shareholder approval for the issue of the Shares and Options under the Placement was not required at the time of the issue, the effect of the issue is to reduce the Company's capacity to issue additional equity securities in the future without Shareholder approval.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made by the Company without Shareholder approval, provided the issue did not breach ASX Listing Rule 7.1 at the time of issue. The effect of such ratification is to restore the Company's maximum discretionary power to issue further securities up to 15% of the issued capital of the Company without requiring Shareholder approval.

Pursuant to Resolution 1, the Company is seeking ratification under ASX Listing Rule 7.4 in order to renew the Company's capacity to issue up to 15% of the equity securities of the Company on issue during the next 12 month period. For the purposes of ASX Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of Shares allotted and issued was 59,500,000. The number of Options to be granted was 44,625,000. The Options are free attaching Options and will be issued on the basis of 3 Options for every 4 Shares issued.
- (b) The Shares were issued at an issue price of 3.5 cents each and the Options will be issued for no consideration.
- (c) The Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares in the Company on issue. The Options are exercisable at 8 cents each on or before 31 August 2012 and in accordance with the terms and conditions set out in Appendix A to this Explanatory Memorandum. Shares to be issued on the exercise of the Options will be fully paid ordinary Shares in the capital of the Company and will rank equally in all respects with the existing fully paid ordinary Shares in the Company.
- (d) The allottees of the Shares and Options are clients of Novus Capital Ltd and were sophisticated, professional and other investors all of whom were exempted from the disclosure provisions under section 708 of the Corporations Act. None of the allottees are related parties of the Company.
- (e) The funds raised from the issue will be used for:
  - 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.
  - For general obligations as the Company continues exploration and development of the Company's United States oil and gas projects.

The Board recommends Shareholders vote in favour of Resolution 1 as it will allow the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's share capital during the next 12 months without requiring Shareholder approval.

## **RESOLUTION 2 – APPROVAL OF PROPOSED ISSUE OF SHARES**

As noted above, Listing Rule 7.1 requires Shareholder approval to a proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

For the purposes of ASX Listing Rule 7.3 the following information is provided to Shareholders:

- (a) Subject to the terms of the Underwriting Agreement the Company will issue a maximum of 80,645,161 Shares at 3.1 cents per Share.
- (b) The Company will allot and issue the Shares no later than 3 months after the date of the General Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules.
- (c) The Shares will be allotted and issued on one date.
- (d) The issue price of the Shares will be 3.1 cents per share.
- (e) The allottees of the Shares will be the sophisticated, professional and other investors who are all exempted from the disclosure provisions under section 708 of the Corporations Act. None of the allottees will be related parties of the Company.
- (f) The Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid Shares on issue.
- (g) The funds raised from the issue will be used for:
  - 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.
  - For general obligations as the Company continues exploration and development of the Company's United States oil and gas projects.

The Board recommends Shareholders vote in favour of Resolution 2 as it will allow the Company to issue securities to enable full funding of the Company's drilling program, whilst allowing the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's share capital during the next 12 months without Shareholder approval.

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**Enquiries** - Shareholders are invited to contact Mr Chris Bowyer, Company Secretary, on (03) 9349 1488 if they have any queries in respect of the matters set out in the Notice or Explanatory Memorandum.

## GLOSSARY

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of directors of the Company;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

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

"**Constitution**" means the Company's constitution, as amended from time to time;

"**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;

"**Option**" means an option to acquire a Share;

"**Resolution**" means a resolution proposed pursuant to the Notice;

"**Shareholder**" means the holder of a Share; and

"**Share**" means a fully paid ordinary share issued in the capital of the Company.

"**SPP**" means the Gold Gate Petroleum Share Purchase Plan which the Company will issue up to 30% of Shares currently on issue to eligible Shareholders; and

"**Underwriting Agreement**" means an underwriting agreement between Novus Capital Ltd and the Company dated 25 March 2010.

### Appendix A - Option Terms

The material terms and conditions of the Options referred to in Resolution 1 are as follows:

- (i) Each Option entitles the holder to subscribe for one fully paid ordinary Share in the capital of Golden Gate Petroleum Ltd ("**Golden Gate**") at an exercise price of 8 cents.
- (ii) The Options are exercisable at any time on or before on 31 August 2012 by completing a notice of exercise and delivering it to Golden Gate's share registry together with the payment for the number of shares in respect of which the Options are exercised.
- (iii) All Shares issued pursuant to the exercise of Options will be allotted within 15 Business Days after the receipt of a properly executed notice of exercise and the application monies in respect of the exercise and will rank *pari passu* in all respects with then existing fully paid ordinary Shares. Subject to the ASX Listing Rules, Golden Gate will apply to ASX for official quotation of all Shares issued upon exercise of the Options within three business days after the allotment of the Shares.
- (iv) There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, Golden Gate will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 ASX Business Days after the issue is announced. Golden Gate will also notify holders of any proposed issue at least 5 Business Days before the record date. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (v) If there is a pro-rata issue of Shares to holders of Shares for which no consideration is payable by them (bonus issue), the number of Shares over which the Option is exercisable must be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (vi) If there is a pro rata issue (other than a bonus issue) to the holders of Shares during the currency of, and prior to the exercise of any Options, the exercise price of a Option will be reduced according to the formula provided for in the ASX Listing Rules.
- (vii) In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of Golden Gate, the Options will be reorganised in a manner required by the ASX Listing Rules.



PROXY FORM

ABN 34 090 074 785

Shareholder's Name and Address

[Empty box for name]

Please write your name(s) above

[Empty box for address]

Please write your address above

Appointment of Proxy

I/We being a member/members of Golden Gate Petroleum Limited and entitled to attend and vote hereby 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 General Meeting of the Company to be held at 566 Elizabeth Street, Melbourne Victoria on 6 May 2010, at 2.30 pm (Melbourne time) (and at any adjournment thereof).

the Chairman of the meeting

or

[Empty box for proxy name]

(mark with an "X")

Name and address of person you are appointing as your first proxy and/or

Appointing a Second Proxy

[Empty box for second proxy name]

Name and address of person you are appointing as your second proxy

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.

Please mark with an "X" to indicate your directions

- 1 Ratification of the issue of 59,500,000 Shares and 44,625,000 Options
2 Approval of proposed issue of Shares

Table with 3 columns: For, Against, Abstain\* and 2 rows for items 1 and 2.

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

[Empty box]

Contact e-mail address

[Empty box for e-mail address]

Contact telephone number

[Empty box for telephone number]

Signature(s)

Individual or Securityholder 1

[Empty box for signature 1]

Securityholder 2

[Empty box for signature 2]

Securityholder 3

[Empty box for signature 3]

Sole Director and Sole Secretary

Director

Director/Company Secretary

Proxies may be lodged either by facsimile on (08) 9324 2171, by mail to PO Box Z5184, Perth, 6831, Western Australia or delivered in person to the registered office of the Company at Level 21 Allendale Square, 77 St Georges Terrace, 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 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 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 General Meeting.

### Appointment of Proxy

A shareholder entitled to attend and vote at the 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 General Meeting. The proxy has the same right as the shareholder to speak and vote at the 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 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 percentage or 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. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses.

### Appointing a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. 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 e-mail address/telephone number

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

### Signature(s)

Each shareholder must sign this form as follows in the spaces provided:

Individual	Where the holding is in one name, the holder must sign.
Joint Holding	If your shares are held in joint names, all shareholders must sign in the boxes
Power of Attorney	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.
Companies	Only duly authorised officers can sign on behalf of a Company. Please sign in the boxes provided which state the office held by the signatory. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### 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 General Meeting, that is by **2.30 pm (Melbourne time) on the 4 May 2010**, by post, facsimile or in person to the respective addresses stipulated on the proxy form.

### Chairman's Voting Intentions

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