

GOLDEN GATE PETROLEUM LTD

(ABN 34 090 074 785)

NOTICE OF GENERAL MEETING

AND

PROXY FORM

Date of Meeting

20 May 2008

Time of Meeting

3.30pm

Place of Meeting

Level 1, 566 Elizabeth Street
Melbourne
Victoria 3000

GOLDEN GATE PETROLEUM LTD
ABN 34 090 074 785

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the shareholders of Golden Gate Petroleum Ltd ABN 34 090 074 785 (**Company**) will be held at Level 1, 566 Elizabeth Street, Melbourne Victoria on 20 May 2008, at 3.30pm (Eastern Standard Time) 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 General Meeting.

SPECIAL BUSINESS

RESOLUTION 1 – RATIFICATION OF PLACEMENT

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 7.4 of the Listing Rules of ASX Limited and for all other purposes, the Company approves and ratifies the issue of 23,986,390 fully paid ordinary shares in the capital of the Company at an issue price of 21 cents each and issued on 14 March 2008 to investors within the meaning of section 708 of the Corporations Act."

Short Explanation: ASX Listing Rule 7.1 allows the Company to issue equity securities in any 12 month period representing up to 15% of its ordinary share capital on issue at the commencement of that period without Shareholder approval. By obtaining ratification by Shareholders under ASX Listing Rule 7.4 to the issue of the securities under this Resolution, the Company will obtain relevant approval for the purposes of ASX Listing Rule 7.1 and thereby refresh the Company's capacity to make future issues of securities up to the 15% threshold. Please refer to the Explanatory Statement for details.

The Company will disregard any votes cast on this Resolution by persons who participated in the issue of Shares the subject of this Resolution and any associates of those persons. However, the Company will not disregard a vote cast on this Resolution 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 a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 2 – APPROVAL OF PLACEMENT TO MR STEPHEN GRAVES

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 250,000 fully paid ordinary shares in the capital of the Company at 21 cents each to Mr Stephen Graves (or his nominee) being a Director of the Companye."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of shares) to a related party requires shareholder approval unless it falls within one of the exceptions set out in that chapter of the Corporations Act. The ASX Listing Rules (Listing Rule 10.11) require the Company to seek shareholder approval prior to the issue of securities to a related party. Mr Graves as a Director is a related party of the Company.

The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on this Resolution 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 a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 3 – APPROVAL OF PLACEMENT TO MR JEFFREY COPLEY

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 250,000 fully paid ordinary shares in the capital of the Company at 21 cents each to Mr Jeffrey Copley (or his nominee) being a Director of the Company."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of shares) to a related party requires shareholder approval unless it falls within one of the exceptions set out in that chapter of the Corporations Act. The ASX Listing Rules (Listing Rule 10.11) require the Company to seek shareholder approval prior to the issue of securities to a related party. Mr Copley as a Director is a related party of the Company.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on this Resolution 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 a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 4 – APPROVAL OF PLACEMENT TO MR FRANK PETRUZZELLI

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 250,000 fully paid ordinary shares in the capital of the Company at 21 cents each to Mr Frank Petruzzelli (or his nominee) being a Director of the Company."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of shares) to a related party requires shareholder approval unless it falls within one of the exceptions set out in that chapter of the Corporations Act. The ASX Listing Rules (Listing Rule 10.11) require the Company to seek shareholder approval prior to the issue of securities to a related party. Mr Petruzzelli as a Director is a related party of the Company.

The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on this Resolution 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 a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 5 – APPROVAL OF PLACEMENT TO MR MARK FREEMAN

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 100,000 fully paid ordinary shares in the capital of the Company at 21 cents each to Mr Mark Freeman (or his nominee) being a Director of the Company."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of shares) to a related party requires shareholder approval unless it falls within one of the exceptions set out in that chapter of the Corporations Act. The ASX Listing Rules (Listing Rule 10.11) require the Company to seek shareholder approval prior to the issue of securities to a related party. Mr Freeman as a Director is a related party of the Company.

The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on this Resolution 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 a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 6 – ISSUE OF OPTIONS TO STEPHEN GRAVES

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

"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to allot and issue 5,000,000 unlisted options, in each case exercisable at 35 cents expiring on or before 30 October 2010 and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice to Mr Stephen Graves (or his nominee) being a Director of the Company."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the granting of options) to a related party requires shareholder approval unless it falls within one of the exceptions set out in that chapter of the Corporations Act. The ASX Listing Rules (Listing Rule 10.11) require the Company to seek shareholder approval prior to the issue of securities to a related party. Mr Graves as a Director is a related party of the Company.

The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on this Resolution 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 a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.



By order of the Board

Mark Freeman

Director and Company Secretary

Dated: 11 April 2008

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 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.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 18 May 2008 at 3.30pm (Western Standard 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.

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.

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 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.

RESOLUTION 1 – RATIFICATION OF PLACEMENT

Resolution 1 seeks shareholder approval to ratify the Placement of 23,986,390 Shares issued on 14 March 2008 at the issue price of 21 cents each which raised \$5,022,000 exclusive of costs.

ASX Listing Rules 7.1 and 7.4

Under ASX Listing Rule 7.1 the Company is permitted to issue up to 15% of its share capital within a 12 month period without the requirement to obtain shareholder approval. Whilst shareholder approval for the issue of the Shares was not required at the time of the issue, the effect of the issue is to reduce the Company's capacity to issue additional securities in the future without shareholder approval.

ASX Listing Rule 7.4 allows an issue made by the Company without shareholder approval under ASX Listing Rule 7.1 to be treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if it is subsequently approved by shareholders and did not breach ASX Listing Rule 7.1 at the time of issue.

The Company wishes to seek shareholder ratification for the purposes of ASX Listing Rule 7.4 in order to renew the Company's capacity to issue up to 15% of the share capital of the Company on issue in 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 was 23,986,390 Shares.
- (b) The Shares were issued at 21 cents per Share.
- (c) The Shares issued were fully paid ordinary shares in the Company and rank equally with the Company's existing issued Shares.
- (d) The allottees of the Shares were sophisticated, professional, institutional and other investors who were all exempt from the disclosure provisions under section 708 of the Corporations Act. None of the allottees were related parties of the Company.
- (e) The funds raised from the issue will be used to fund working capital for drilling programs on projects both in Texas and Louisiana.

The Board recommends shareholders vote in favour of this resolution as it allows 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.

RESOLUTION 2, 3, 4, & 5 – APPROVAL OF PLACEMENT TO DIRECTORS

Resolutions 2, 3, 4 and 5 seek shareholder approval for four of the Company's directors (or their nominees) to subscribe for and be issued with the following Shares at an issue price of 21 cents each:

Stephen Graves	250,000
Jeffrey Copley	250,000
Frank Petruzzelli	250,000
Mark Freeman	100,000

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, the Directors are related parties of the Company. The Board is of the view that it is prudent to seek Shareholder approval under Chapter 2E as the subscription 21 cents is below the current trading price of the Shares.

For the purposes of Chapter 2E of the Corporations Act the following information is provided:

1. The Related Parties to whom the proposed resolutions would permit the Financial Benefit to be given

Subject to shareholder approval in terms of this Notice, the related parties to whom the proposed financial benefit will be given are Messrs Graves, Copley, Petruzzelli and Freeman being Directors of the Company (or their nominees).

2. The Nature of the Financial Benefit

The proposed financial benefit is for four of the Company's directors (or their nominee) to subscribe for and be issued with the following shares at 21 cents each:

Stephen Graves	250,000
Jeffrey Copley	250,000
Frank Petruzzelli	250,000
Mark Freeman	100,000

3. Directors Recommendation and Basis of Financial Benefit

The holding of Shares by Messrs Graves, Copley, Petruzzelli and Freeman (or their nominees) should provide an incentive to Directors to provide dedicated and on-going commitment and effort to the Company.

Mr Sam Russotti recommends shareholders vote in favour of resolutions 2, 3, 4 and 5 for the reason set out above.

All of the other Directors were available to consider the proposed resolutions but declined to make a recommendation in relation to the resolutions due to the fact that they have a material personal interest in their outcome as each of them are proposed recipients of Shares.

4. Dilution

The passing of resolutions 2, 3, 4 and 5 would have the effect of allowing Messrs Graves, Copley, Petruzzelli and Freeman (or their nominees) to subscribe for and be issued with up to a total of 850,000 Shares between them the effect of which would be to dilute the shareholding of the existing shareholders by approximately 0.35% based upon the number of Shares on issue at the date of this Notice being 242,384,160 Shares.

5. Total Remuneration Package

The total annual remuneration to be received by Messrs Graves, Copley, Petruzzelli and Freeman is set out below (exclusive of the Shares proposed to be issued or the options proposed to be issued to Mr Graves the value of which is disclosed elsewhere in this document).

Frank Petruzzelli	\$60,000
Stephen Graves	\$333,000
Mark Freeman	\$188,000
Jeffrey Copley	\$247,058

6. Existing Relevant Interest

	Ordinary Shares	Options over Ordinary Shares		
		Un-Listed	Expiry	Exercise price (\$)
Stephen Graves	1,402,888	5,000,000 *	30/10/10	0.35
Frank Petruzzelli	531,520	300,000	1/12/08	0.33
		500,000	1/12/08	0.22
		500,000	31/12/09	0.54
		2,000,000	30/10/10	0.35
Jeffrey Copley		2,000,000	30/06/10	0.25
		2,000,000	30/10/10	0.35
Mark Freeman	131,731	200,000	19/08/08	0.33
		750,000	31/12/09	0.54
		2,000,000	30/10/10	0.35

* The issue of these options is also subject to shareholder approval under resolution 6.

7. Trading History

In the 12 months before the date this notice was lodged with ASIC, the highest, lowest and last trading price of Shares on ASX are as set out below:

	Date	Price (cents)
Highest	5 October 2007	48
Lowest	17 April 2007	15
Last	27 March 2008	24

8. Value of Financial Benefit

The Shares to be issued to Messrs Graves, Copley, Petruzzelli and Freeman are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares.

The value of the financial benefit being provided is the difference between the value of the Shares on the date they are issued and the proposed issue price of 21 cents. The Company is an ASX listed company with its major assets being tenements with exploration potential. Although there are various methodologies for valuing shares, the Company considers the most appropriate indicator of the value of the Share is the trading price of the Shares on the ASX (quoted market price basis).

Based on the most recent trading price the value of the financial benefit to each director is estimated as follows:

Stephen Graves	\$7,500
Jeffrey Copley	\$7,500
Frank Petruzzelli	\$7,500
Mark Freeman	\$3,000

9. Other Information

Other than as set out elsewhere in this Explanatory Statement the Directors are not aware of any other information that is reasonably required by shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass these resolutions.

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 Shares) to a related party of the Company. Shareholder approval is required for the purposes of ASX Listing Rule 10.11 because Messrs Graves, Copley, Petruzzelli and Freeman are related parties of the Company by virtue of their being Directors of the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required in order for the issue of up to 850,000 Shares to Messrs Graves, Copley, Petruzzelli and Freeman (or their nominees) as Directors, as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of up to 850,000 Shares 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 to shareholders:

- (a) The Shares the subject of resolutions 2, 3, 4 and 5 will be issued to the following Directors (or their nominees).

Stephen Graves	250,000
Jeffrey Copley	250,000
Frank Petruzzelli	250,000
Mark Freeman	100,000

- (b) The Shares will be issued no later than one (1) month after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares will be issued at an issue price of 21 cents each and will rank equally with the Company's existing issued Shares.
- (d) The funds raised from the issue will be used to fund working capital and drilling programs on projects both in Texas and Louisiana.

RESOLUTION 6 - ISSUE OF OPTIONS TO STEPHEN GRAVES

As announced to ASX on 4 February 2008, subject to obtaining shareholder approval, the Board has resolved to issue Mr Stephen Graves 5,000,000 options exercisable at 35 cents each on or before 30 October 2010 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. This resolution seeks shareholder approval for the issue of these options.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Stephen Graves, as a director of the Company, is a related party of the Company. The grant of options to Mr Graves is a financial benefit.

For the purposes of Chapter 2E of the Corporations Act the following information is provided:

1. The Related Party to whom the proposed resolution would permit the Financial Benefit to be given

Subject to shareholder approval in terms of this Notice, the related party to whom the proposed financial benefit will be given is Mr Graves (or his nominee) a director of the Company.

2. The Nature of the Financial Benefit

The nature of the financial benefit to be provided is the grant of options for no monetary consideration. The number of options to be granted is 5,000,000 to Mr Graves. This number of options was agreed upon by the Board following an external review of remuneration paid to directors of oil and gas exploration companies listed on the ASX and of a similar size and market capitalisation to the Company. It was considered that this number of options was appropriate remuneration in light of Mr Grave's skill and experience and when considered together with his salary and other remuneration detailed below.

3. Directors Recommendation and Basis of Financial Benefit

The issue of options to Mr Graves preserves the cash resources of the Company during its project development phase, and at the same time provides an added incentive to Mr Graves to create shareholder wealth. The incentive represented to Mr Graves 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, except for Mr Graves, recommended shareholders vote in favour of the resolution for the reasons set out above. Mr Graves was available to consider the proposed resolution but declined to make a recommendation in relation to the resolution due to the fact that he has a material personal interest in its outcome as he is the proposed recipient of options.

4. Dilution

If shareholders approve the issue of options to Mr Graves, and all of the options are exercised, the effect will be to dilute the shareholding of existing shareholders by approximately 2.02% (assuming no other options are exercised, no Convertible Notes are converted and no more Shares are issued).

5. Total Remuneration Package

The total remuneration to be received by Mr Graves (exclusive of the Shares and options proposed to be issued, the value of which are set out elsewhere in this document) is \$333,000.

6. Existing Relevant Interest

Mr Graves presently has a relevant interest in 1,402,888 shares in the Company, not including the Shares proposed to be issued under resolution 2 above.

7. Trading History

In the 12 months before the date this notice was lodged with ASIC, the highest, lowest and last trading price of Shares on ASX are as set out below:

	Date	Price (cents)
Highest	5 October 2007	48
Lowest	17 April 2007	15
Last	27 March 2008	24

8. Value of financial benefit

The value of the options to be granted to Mr Graves has been calculated using the Binomial option valuation methodology, which is the most widely used and recognised model for pricing options.

Based on the assumptions used for the Binomial model, the options have been valued at 10.29 cents each, equating to a total value of \$514,500. The options have been valued using the Binomial options valuation methodology by the Company's independent external advisers, Stanton Partners, and based upon the following assumptions:

1. Options expire 30 October 2010 and are exercisable at 35 cents;
2. the date of valuation is the closing price on 12 March 2008, being 25 cents per share;
3. The current Risk free interest rate (Treasury Bond Rate) of 6.75%;
4. Volatility factor of 75%; and
5. Based on the above assumptions the value of the options are 10.29 cents each.

9. Potential costs and detriments from issuing options

The market price for Shares during the term of the options would normally determine whether or not Mr Graves exercises 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 an opportunity cost to the Company as it may have been able to issue less Shares at a higher price than the exercise price of the options to raise the same amount of funds.

Otherwise 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.

10. Other Information

The Directors and the Company are not aware of any other information that is reasonably required by shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the resolution.

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 options) to a related party of the Company. If this resolution is passed, securities will be issued to Mr Graves (or his nominee), who is a related party of the Company by virtue of him being a Director of the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the options to Mr Graves as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of securities to Mr Graves 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 to shareholders:

- (a) the number of options to be granted by the Company is 5,000,000;
- (b) the options will be granted for no monetary 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 (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the purpose of the issue of the options is to give Mr Graves an incentive to provide dedicated and ongoing commitment to the Company; and

(e) the options will be issued on the terms and conditions set out in Appendix A of this Explanatory Memorandum.

GLOSSARY

"**ASX**" means ASX Limited;

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

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

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

"**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;

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

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

Appendix A - Option Terms

The terms and conditions of the options referred to in resolution 6 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 nil consideration and subject to clauses (iv), (v) and (xiv) are exercisable on or before 30 October 2010 (“**Expiry Date**”) by completing an option exercise form and delivering it to GGP’s share registry.
- (iv) If the option holder ceases to be either an employee or consultant of the Company for any reason then any unexercised options will automatically lapse on the date that is 21 days after that occurring.
- (v) Subject to paragraph (xiv), all of the options will be exercisable upon 12 months of continued service commencing 2 February 2008. If the option holder ceases employment prior to 2 February 2009 the options will vest pro-rata over the period of continued service.
- (vi) The option exercise price is 35 cents per option.
- (vii) The options are not transferable, without prior approval of the Board.
- (viii) All Shares issued upon exercise of the options will rank equally in all respects with GGP’s then issued Shares. GGP will apply for quotation by ASX within 3 business days of all Shares issued upon exercise of the options.
- (ix) 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.
- (x) 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 (xi) below).
- (xi) 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.
- (xii) 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 ASX Listing Rules which apply at that time.
- (xiii) 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.
- (xiv) Notwithstanding paragraph (v), all options fully vest and may be exercised by the option holder:
 - a. during a Bid Period; or

- b. at any time after a Change of Control Event has occurred; or
- c. on an application under section 411 of the Corporations Act 2001, if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of section 411.

For the purposes of this clause:

Bid Period means in relation to a takeover bid in respect of shares in GGP, the period referred to in the definition of that expression in section 9 of the Corporations Act 2001 provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on GGP in relation to that takeover bid, the Bid Period shall be deemed to have commenced at the time of that announcement; and

Change of Control Event means a shareholder, or group of associated shareholders, being entitled to sufficient shares in GGP to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board.

GOLDEN GATE PETROLEUM LTD
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 General Meeting of the Company to be held at Level 1, 566 Elizabeth Street, Melbourne Victoria on 20 May 2008, at 3.30 pm (Eastern Standard Time) (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.

Special Business

	For	Against	Abstain*
1 Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Placement to Mr Stephen Graves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Placement to Mr Jeffrey Copley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Placement to Mr Frank Petruzzelli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Placement to Mr Mark Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of options to Mr Stephen Graves	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*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 a resolution 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 any resolution in which the Chair has an interest in the outcome and your votes will not be counted in calculating the required majority if a poll is called on such 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 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 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 General Meeting, that is by 3.30 pm Eastern Standard Time on the **18 May 2008** 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.