

EUREKA *report*



The Speculator

By David Haselhurst

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March 17, 2010

PORTFOLIO POINT: New capital raisings to boost Golden Gate's oil-and-gas field drilling.

Golden Gate Petroleum (GGP) will get a \$4.5 million boost to its drilling funds through a placement announced yesterday and a new offer to share holders. As this column tipped last week, the company plans to participate in as many as six wells in six months on its drill targets in the oil-rich American states of Texas and Louisiana.

In its fund-raising announcement yesterday, the company confirmed it planned to drill a new well every five weeks beginning within the first 10 days of April.

Through Sydney broker Novus Capital Ltd the company has placed 59.5 million shares to professional investors to raise gross proceeds of \$2.1 million. The shares have been issued at a price of 3.5¢ each, together with a 3-for-4 attaching option exercisable at 8¢ on or before August 31, 2012.

To accommodate existing shareholders, many of whom include Eureka Report readers, the company will undertake a share purchase plan (SPP), where shareholders will have the opportunity to buy up to \$15,000 of new shares at 3.1¢ each.

Due to a standing ASIC ruling, the company is unable to offer free attaching options under an SPP and accordingly has discounted the price of the shares to be offered under the SPP to enable existing shareholders to benefit.

Golden Gate has about 4600 retail shareholders. To be eligible for the SPP, shareholders must be on the register on March 19, 2010. New buyers in the stock should check their status through their brokers.

The placement plus the offer to shareholders is expected to add about \$4.5 million to company funds, taking total cash available to about \$8.5 million.

As a result of the issues, Golden Gate will have close to 800 million shares on issue which, at 4¢ a share, would give the company a market capitalisation of \$32 million.

It is the Speculator's intention to take up at least part of his entitlement to the share purchase plan.

