



GOLDEN GATE PETROLEUM LTD

ABN 34 090 074 785

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Friday 22 November 2013

Time of Meeting

10 am (AEDT)

Place of Meeting

Radisson Blu Hotel Sydney
27 O'Connell Street
Sydney 2000

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Golden Gate Petroleum Ltd ABN 34 090 074 785 (**'Company'**) will be held at Radisson Blu Hotel Sydney, 27 O'Connell Street, Sydney NSW 2000 on Friday 22 November 2013 at 10.00am (AEDT).

The Explanatory Memorandum which accompanies this Notice of Meeting forms part of the Notice.

AGENDA

ORDINARY BUSINESS

2013 Accounts

To receive and consider the financial report of the Company for the year ended 30 June 2013, and the reports by the Directors and Independent Auditors.

Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, to pass as a non-binding and advisory resolution in accordance with section 250R of the Corporations Act:

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2013 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, the Company will not disregard a vote cast by the Chair of the meeting as a proxy, if the appointment of the Chair expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

Resolution 2 – Election of Christopher Porter

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Christopher Porter, who was appointed as a Director since the last annual general meeting and who retires under clause 6.1(e) of the Company's Constitution, and being eligible, offers himself for election, be elected as a Director."

Resolution 3 – Election of Robert Oliver

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Robert Oliver who was appointed as a Director since the last annual general meeting and who retires under clause 6.1(e) of the Company’s Constitution, and being eligible, offers himself for election, be elected as a Director.”

Resolution 4 – Ratification of the issue of 117,500,000 Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 117,500,000 Shares to The Australian Special Opportunity Fund, LP on 27 June 2013, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by an person who participated in the issue, and any Associates of those persons.

The Company need not, however, disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directors 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 – Ratification of the issue of 11,000,000 Options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 11,000,000 Options to The Australian Special Opportunity Fund, LP on 27 June 2013, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by an person who participated in the issue, and any Associates of those persons.

The Company need not, however, disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directors 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 6 – Ratification of the issue of 67,000,000 Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 67,000,000 Shares to The Australian Special Opportunity Fund, LP on 31 July 2013, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by an person who participated in the issue, and any Associates of those persons.

The Company need not, however, disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directors 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 7 – Ratification of the issue of 13,400,000 Options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 13,400,000 Options to The Australian Special Opportunity Fund, LP on 31 July 2013, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by an person who participated in the issue, and any Associates of those persons.

The Company need not, however, disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directors 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 8 – Ratification of the issue of 65,555,556 Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 65,555,556 Shares to The Australian Special Opportunity Fund, LP on 6 September 2013, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by an person who participated in the issue, and any Associates of those persons.

The Company need not, however, disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directors 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 9 – Ratification of the issue of 13,111,111 Options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 13,111,111 Options to The Australian Special Opportunity Fund, LP on 6 September 2013, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any Associates of those persons.

The Company need not, however, disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directors 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.

SPECIAL BUSINESS

Resolution 10 – Spill Resolution

Subject to 25% or more of the votes that are cast on Resolution 1 being votes against the adoption of the Directors' Remuneration Report, to consider and if thought fit, to pass the following ordinary resolution (a 'spill resolution'):

"That:

(a) an extraordinary meeting of Shareholders ('spill meeting') be held within 90 days of the Company's 2013 Annual General Meeting ('AGM');

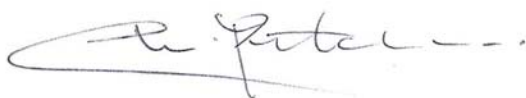
(b) all the Company's directors (other than the Managing Director) who were in office when the director's resolution to make the Directors' Remuneration Report for the year ended 30 June 2013 considered at the AGM was passed, cease to hold office immediately before the end of the spill meeting; and

(c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting."

OTHER BUSINESS

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

By order of the Board,



Chris Ritchie
Company Secretary
18 October 2013

INFORMATION FOR SHAREHOLDERS

Attendance at the Meeting

If you are planning to attend the meeting, please bring the proxy form with you to facilitate registration.

Voting

A member of the Company can vote by attending the Meeting and voting in person, by proxy or by authorised representative.

VOTING ENTITLEMENTS

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, all shares in the Company will be taken, for the purposes of this Annual General Meeting, to be held by the persons who are the registered holders at 8.00pm (AEDT) on Wednesday 20 November 2013. Accordingly, share transfers registered after this time will be disregarded in determining entitlements to attend and vote at the Meeting.

VOTING BY PROXY

- Completion of a proxy form will not prevent individual shareholders from attending the Annual General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Annual General Meeting.
- A member entitled to attend and vote at the Annual General Meeting 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 member's voting rights.
- A proxy need not be a member of the Company.
- A proxy appointed to attend and vote instead of a member has the same right as the member to speak and vote at the meeting on a show of hands and on a poll.
- Where a proxy is appointed by a member's attorney, the power of attorney together with the evidence of non-revocation must be lodged with the proxy form.
- A proxy form appointing for a corporation must be executed in accordance with Section 127 of the Corporations Act 2001.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 1, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.

- To be effective, proxy forms (and the power of attorney (if any) under which they are signed or proof thereof to the satisfaction of the directors) must be lodged at Advanced Share Registry Services, by either mail to PO Box 1156, Nedlands, Western Australia, 6909, or by facsimile on +61 8 9389 7871, by 10am (AEDT) on 20 November 2013 (not less than 48 hours before the scheduled time of the Meeting).
- Members of the Company who return their proxy forms but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. A form of proxy is enclosed with the Notice of Annual General Meeting. An additional form will be supplied by the Company on request.

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 Golden Gate Petroleum Limited ("**Golden Gate**" or the "**Company**").

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

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

2013 ACCOUNTS

The first item of the Notice deals with the presentation of the consolidated annual financial statements of the Company for the financial year ended 30 June 2013 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item. Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- a) the conduct of the audit;
- b) the preparation and content of the independent audit report;
- c) the accounting policies adopted by the Company in relation to the preparation of accounts;
and
- d) the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1 – NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

The Remuneration Report is in the Directors' Report section of the Company's 2013 Annual Report.

By way of summary, the Remuneration Report:

- a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2013.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Report and is also available on the Company's website (www.ggpl.com.au).

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast are against adoption of the Remuneration Report at an AGM, and then again at the following AGM (**Following AGM**), the Company will be required to put a resolution to the Following AGM, to approve calling an extraordinary general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the Following AGM. All of the Directors who were in office when the Directors' Report (as included in the Company's annual financial report for the financial year ended immediately before the Following AGM) was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

At the Company's 2012 AGM, the votes cast against the Remuneration Report were greater than 25% and accordingly, a spill resolution has been included in this Notice of Meeting (Resolution 11). Should votes cast against the Remuneration report at this AGM not exceed 25% then Resolution 11 will not be put to the meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

Voting Exclusion Statement

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

RESOLUTION 2 – RE-ELECTION OF CHRISTOPHER PORTER

2.1 General

Mr Porter joined the Board as a Director in November 2012. Mr Porter was re-elected as a Director at a general meeting on 19 December 2012.

Clause 6.1(d) of the Company's Constitution provides that the Directors may appoint any natural person to be a director, either as an addition to the existing directors or to fill a casual vacancy. In addition, Clause 6.1(e) of the Company's Constitution provides that, a Director, other than the Managing Director (or, if there is more than one managing director, the first of them to be appointed), appointed under rule 6.1(d) must retire from office at the next annual general meeting following his or her appointment.

In accordance with clause 6.1(e) of the Company's Constitution, Mr Porter must retire at this meeting and, being eligible, offers himself for election.

2.2 Biography

Mr Porter has extensive senior management and consulting geological experience in the oil and gas industry. He has worked internationally with companies including, Phillips Petroleum, Western Mining ("WMC") and Santos Limited. As a consultant his clients have included the Cooper Basin Consortium, Woodside Petroleum and AOG. Mr Porter initiated WMC's Oil and Gas section and prior to leaving was General Manager, having established hydrocarbon reserves in the Cooper Basin and production offshore Western Australia. He worked at Santos as the Manager – Technical Services before pursuing a career in consulting since 2000. Mr Porter was a Non-Executive Director of the ASX listed oil and gas company Cooper Energy Limited from 2002 to 2011.

Mr Porter holds degrees in BSc (Honours) in geology from Adelaide University and MSc in Petrophysics from the prestigious Colorado School of Mines. He has also attended the Senior Executive Programme (SEP) at Stanford University. Mr Porter has published many technical papers and is a Member of several professional petroleum associations.

2.3 Directors Recommendation

The Board (other than Mr Porter) unanimously recommends that Shareholders vote in favour of the election of Mr Porter as a Director.

RESOLUTION 3 – RE-ELECTION OF ROBERT OLIVER

3.1 General

Mr Oliver joined the Board as a Director in November 2012. Mr Oliver was re-elected as a Director at a general meeting on 19 December 2012.

Clause 6.1(d) of the Company's Constitution provides that the Directors may appoint any natural person to be a director, either as an addition to the existing directors or to fill a casual vacancy. In addition, Clause 6.1(e) of the Company's Constitution provides that, a Director, other than the Managing Director (or, if there is more than one managing director, the first of them to be appointed), appointed under rule 6.1(d) must retire from office at the next annual general meeting following his or her appointment.

In accordance with clause 6.1(e) of the Company's Constitution, Mr Oliver must retire at this meeting and, being eligible, offers himself for election.

3.2 Biography

Mr Oliver has extensive operational experience in the oil and gas industry. He has worked on drilling and completion work internationally for BHP Billiton (BHP Billiton Petroleum) in Tehran, Trinidad, West Africa, as well as in Australia; Exxon USA in New Orleans; Esso Exploration and Production in the UK and Esso Australia Ltd in Australia. Mr Oliver has worked in operational management roles for Upstream Petroleum, AGR Asia Pacific and Australian Drilling Associates in Australia and New Zealand. His management experience includes completion work involving fracture stimulation programs and other similar activities. Mr Oliver's course work has included horizontal and extended reach drilling practices, production and reservoir engineering and log interpretational work.

Mr Oliver holds a degree in BE (Mechanical Engineering) (Hons) from Monash University.

3.3 Directors Recommendation

The Board (other than Mr Oliver) unanimously recommends that Shareholders vote in favour of the election of Mr Oliver as a Director.

4. RESOLUTION 4 – RATIFICATION OF THE ISSUE OF 117,500,000 SHARES

4.1 Background

In connection with the Agreement which is summarised in Appendix A to this Explanatory Memorandum, the Company issued 117,500,000 Shares (based on a prepayment by the Investor of \$225,000 and an issue price of \$0.00125 per Share) to the Investor on 27 June 2013 as the Tranche 3 drawdown under the Agreement. A total of 180,000,000 shares were to be issued but as per the Company's ASX release on 7 June 2013, 62,500,000 were deemed to be issued as part of the Tranche 2 issue of shares, which shareholders approved at general meeting in July 2013.

Further details about the Agreement are set out in Appendix A.

4.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of that company held at the beginning of the 12 month period, except with the prior approval of that company's shareholders in general meeting of the precise terms and conditions of the proposed issue.

The Shares:

- (a) are categorised as equity securities for the purposes of Listing Rule 7.1; and
- (b) were not, and were not required to be, approved by Shareholders for the purposes of Listing Rule 7.1 prior to their issue.

However, under Listing Rule 7.4, an issue of equity securities that has been made without prior approval under 7.1 can be subsequently ratified by shareholders (in which case it will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1).

Accordingly, the Company is now seeking to ratify the issue of the Shares by the Shareholders pursuant to Listing Rule 7.4. If Resolution 4 is approved, the Shares that were issued pursuant to the Agreement will not be included in any calculation of the 15% limit on the number of equity securities the Company may issue in any 12 month period.

4.3 Details of the Issue

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

- (a) 117,500,000 Shares were issued.
- (b) The Shares were issued at \$0.00125 per Share.
- (c) The Shares issued were fully paid ordinary shares in the Company which rank equally with the Company's existing issued Shares.
- (d) The Shares were issued to the Investor.
- (e) The funds raised from the issue of the Shares were used to progress the development of the Company's Permian Project.

4.4 Directors Recommendation

The Board recommends Shareholders vote in favour of Resolution 4 as this will allow the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's issued share capital during the next 12 months.

5. RESOLUTION 5 – RATIFICATION OF THE ISSUE OF 11,000,000 OPTIONS

5.1 Background

In connection with the Agreement which is summarised in Appendix A to this Explanatory Memorandum, the Company issued 11,000,000 Options (with an Exercise Price of \$0.0015 and an Expiry Date of 27 June 2016) to the Investor on 27 June 2013 in connection with the Tranche 3 drawdown under the Agreement. A total of 36,000,000 Options were to be issued under the agreement, but as per the Company's ASX release on 7 June 2013, the Investor has agreed to forego the issue of 25,000,000 Options from Tranche 3.

Further details about the Agreement, including the Options, are set out in Appendix A.

5.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of that company held at the beginning of the 12 month period, except with the prior approval of that company's shareholders in general meeting of the precise terms and conditions of the proposed issue.

The Options:

- (a) are categorised as equity securities for the purposes of Listing Rule 7.1; and
- (b) were not, and were not required to be, approved by Shareholders for the purposes of Listing Rule 7.1 prior to their issue.

However, under Listing Rule 7.4, an issue of equity securities that has been made without prior approval under 7.1 can be subsequently ratified by shareholders (in which case it will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1).

Accordingly, the Company is now seeking to ratify the issue of the Options by the Shareholders pursuant to Listing Rule 7.4. If Resolution 5 is approved, the Options that were issued pursuant to the Agreement will not be included in any calculation of the 15% limit on the number of equity securities the Company may issue in any 12 month period.

5.3 Details of the Issue

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

- (a) 11,000,000 Options were issued.
- (b) The issue price of each Option was Nil.
- (c) The terms and conditions of the Options are set out in Appendix A to this Explanatory Memorandum.
- (d) The Options were issued to the Investor.
- (e) No funds were raised directly from the issue of the Options.

5.4 Directors Recommendation

The Board recommends that Shareholders vote in favour of Resolution 5 as this will allow the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's issued share capital during the next 12 months.

6. RESOLUTION 6 – RATIFICATION OF THE ISSUE OF 67,000,000 SHARES

6.1 Background

In connection with the Agreement which is summarised in Appendix A to this Explanatory Memorandum, the Company issued 67,000,000 Shares (based on a prepayment by the Investor of \$67,000 and an issue price of \$0.001 per Share) to the Investor on 31 July 2013 as the Tranche 4 drawdown under the Agreement.

Further details about the Agreement are set out in Appendix A.

6.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of that company held at the beginning of the 12 month period, except with the prior approval of that company's shareholders in general meeting of the precise terms and conditions of the proposed issue.

The Shares:

- (a) are categorised as equity securities for the purposes of Listing Rule 7.1; and
- (b) were not, and were not required to be, approved by Shareholders for the purposes of Listing Rule 7.1 prior to their issue.

However, under Listing Rule 7.4, an issue of equity securities that has been made without prior approval under 7.1 can be subsequently ratified by shareholders (in which case it will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1).

Accordingly, the Company is now seeking to ratify the issue of the Shares by the Shareholders pursuant to Listing Rule 7.4. If Resolution 6 is approved, the Shares that were issued pursuant to the Agreement will not be included in any calculation of the 15% limit on the number of equity securities the Company may issue in any 12 month period.

6.3 Details of the Issue

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

- (a) 67,000,000 Shares were issued.
- (b) The Shares were issued at \$0.001 per Share.
- (c) The Shares issued were fully paid ordinary shares in the Company which rank equally with the Company's existing issued Shares.
- (d) The Shares were issued to the Investor.
- (e) The funds raised from the issue of the Shares were used to progress the development of the Company's Permian Project.

6.4 Directors Recommendation

The Board recommends Shareholders vote in favour of Resolution 6 as this will allow the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's issued share capital during the next 12 months.

7. RESOLUTION 7 – RATIFICATION OF THE ISSUE OF 13,400,000 OPTIONS

7.1 Background

In connection with the Agreement which is summarised in Appendix A to this Explanatory Memorandum, the Company issued 13,400,000 Options (with an Exercise Price of \$0.0012 and an Expiry Date of 31 July 2016) to the Investor on 31 July 2013 in connection with the Tranche 4 drawdown under the Agreement.

Further details about the Agreement, including the Options, are set out in Appendix A.

7.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of that company held at the beginning of the 12 month period, except with the prior approval of that company's shareholders in general meeting of the precise terms and conditions of the proposed issue.

The Options:

- (a) are categorised as equity securities for the purposes of Listing Rule 7.1; and
- (b) were not, and were not required to be, approved by Shareholders for the purposes of Listing Rule 7.1 prior to their issue.

However, under Listing Rule 7.4, an issue of equity securities that has been made without prior approval under 7.1 can be subsequently ratified by shareholders (in which case it will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1).

Accordingly, the Company is now seeking to ratify the issue of the Options by the Shareholders pursuant to Listing Rule 7.4. If Resolution 7 is approved, the Options that were issued pursuant to the Agreement will not be included in any calculation of the 15% limit on the number of equity securities the Company may issue in any 12 month period.

7.3 Details of the Issue

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

- (a) 13,400,000 Options were issued.
- (b) The issue price of each Option was Nil.
- (c) The terms and conditions of the Options are set out in Appendix A to this Explanatory Memorandum.
- (d) The Options were issued to the Investor.
- (e) No funds were raised directly from the issue of the Options.

7.4 Directors Recommendation

The Board recommends that Shareholders vote in favour of Resolution 7 as this will allow the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's issued share capital during the next 12 months.

8. RESOLUTION 8 – RATIFICATION OF THE ISSUE OF 65,555,556 SHARES

8.1 Background

In connection with the Agreement which is summarised in Appendix A to this Explanatory Memorandum, the Company issued 65,555,556 Shares (based on a prepayment by the Investor of \$59,000 and an issue price of \$0.0009 per Share) to the Investor on 6 September 2013 as the Tranche 5 drawdown under the Agreement.

Further details about the Agreement are set out in Appendix A.

8.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of that company held at the beginning of the 12 month period, except with the prior approval of that company's shareholders in general meeting of the precise terms and conditions of the proposed issue.

The Shares:

- (a) are categorised as equity securities for the purposes of Listing Rule 7.1; and
- (b) were not, and were not required to be, approved by Shareholders for the purposes of Listing Rule 7.1 prior to their issue.

However, under Listing Rule 7.4, an issue of equity securities that has been made without prior approval under 7.1 can be subsequently ratified by shareholders (in which case it will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1).

Accordingly, the Company is now seeking to ratify the issue of the Shares by the Shareholders pursuant to Listing Rule 7.4. If Resolution 8 is approved, the Shares that were issued pursuant to the Agreement will not be included in any calculation of the 15% limit on the number of equity securities the Company may issue in any 12 month period.

8.3 Details of the Issue

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

- (a) 65,555,556 Shares were issued.
- (b) The Shares were issued at \$0.0009 per Share.
- (c) The Shares issued were fully paid ordinary shares in the Company which rank equally with the Company's existing issued Shares.
- (d) The Shares were issued to the Investor.
- (e) The funds raised from the issue of the Shares were used to progress the development of the Company's Permian Project.

8.4 Directors Recommendation

The Board recommends Shareholders vote in favour of Resolution 8 as this will allow the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's issued share capital during the next 12 months.

9. RESOLUTION 9 – RATIFICATION OF THE ISSUE OF 13,111,111 OPTIONS

9.1 Background

In connection with the Agreement which is summarised in Appendix A to this Explanatory Memorandum, the Company issued 13,111,111 Options (with an Exercise Price of \$0.0011 and an Expiry Date of 6 September 2016) to the Investor on 6 September 2013 in connection with the Tranche 5 drawdown under the Agreement.

Further details about the Agreement, including the Options, are set out in Appendix A.

9.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued securities of that company held at the beginning of the 12 month period, except with the prior approval of that company's shareholders in general meeting of the precise terms and conditions of the proposed issue.

The Options:

- (a) are categorised as equity securities for the purposes of Listing Rule 7.1; and
- (b) were not, and were not required to be, approved by Shareholders for the purposes of Listing Rule 7.1 prior to their issue.

However, under Listing Rule 7.4, an issue of equity securities that has been made without prior approval under 7.1 can be subsequently ratified by shareholders (in which case it will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1).

Accordingly, the Company is now seeking to ratify the issue of the Options by the Shareholders pursuant to Listing Rule 7.4. If Resolution 9 is approved, the Options that were issued pursuant to the Agreement will not be included in any calculation of the 15% limit on the number of equity securities the Company may issue in any 12 month period.

9.3 Details of the Issue

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

- (a) 13,111,111 Options were issued.
- (b) The issue price of each Option was Nil.
- (c) The terms and conditions of the Options are set out in Appendix A to this Explanatory Memorandum.
- (d) The Options were issued to the Investor.
- (e) No funds were raised directly from the issue of the Options.

9.4 Directors Recommendation

The Board recommends that Shareholders vote in favour of Resolution 9 as this will allow the Company to retain the flexibility to issue further equity securities representing up to 15% of the Company's issued share capital during the next 12 months.

10. RESOLUTION 10 – SPILL RESOLUTION

10.1 Background

At the 2012 Annual General Meeting more than 25% of votes were cast against the adoption of the 2012 Directors' Remuneration Report. If at the 2013 Annual General Meeting 25% or more of votes cast are against the adoption of the Directors' Remuneration report under Resolution 1, Shareholders will be required to vote on this resolution (known as a 'spill resolution') on whether another general meeting of the Company (known as a 'spill meeting') at which all of the Company's Directors (other than the Managing Director) must stand for re-election should they wish to continue as Directors.

10.2 Details

Spill Meeting

If the spill resolution (which is an ordinary resolution) is passed, the Company must hold the spill meeting within 90 days after the spill resolution was passed. The notice of meeting for the spill meeting would include resolutions for the re-election of the Company's directors and resolutions for the election of those persons (if any) who have nominated for election to the office of Director in accordance with the Company's Constitution.

All the Company's directors, (other than the Managing Director) who were directors of the Company when the Director resolution to make the Directors' Remuneration report considered at the 2013 AGM was passed, will cease to hold office immediately before the end of the spill meeting and the Directors appointed by the spill meeting will commence to hold office at the end of the spill meeting.

Notwithstanding the results of the spill meeting, the Company must retain three directors (or two plus the Managing Director), being the minimum number of directors required for a public company under the Corporations Act. If no person receives sufficient votes to be elected as a director by way of ordinary resolution, the directors that are retained to maintain the statutory minimum will be those candidates for election with the most votes cast in favour of their election at the spill meeting, even if less than half the votes cast on the resolution were in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other directors will choose one of those persons as the appointed director.

The Company is not required to disregard any votes cast, including by Key Management Personnel (KMP) or a KMP's 'closely related party', at the spill meeting.

10.3 Directors' Recommendation

As the Directors, other than the Managing Director, have a personal interest in the proposed resolution they make no recommendation as to how Shareholders should vote on this resolution. The Managing Director recommends that Shareholders vote **against** this resolution.

Enquiries – Shareholders are invited to contact Mr Chris Ritchie, Company Secretary, on (+61 3) 9349 1488 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

"Accounting Standards" has the meaning given to that term in the Corporations Act;

"AEDT" means Australian Eastern Daylight Savings Time;

"AGM" means annual general meeting;

"ASX Settlement Operating Rules" means the operating rules of ASX Settlement Pty Ltd;

"Annual General Meeting" or **"Meeting"** means the annual general meeting the subject of the Notice;

"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;

"Closely Related Party" has the meaning given to that term in the Corporations Act;

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

"Constitution" means the constitution of the Company;

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

"Director" means a Director of the Company;

"Equity Securities" has the meaning given to it in the Listing Rules;

"Explanatory Memorandum" means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice;

"Key Management Personnel" has the meaning given to that term in the Accounting Standards.

"Listing Rules" means the Listing Rules of the ASX;

"Notice" or **"Notice of Meeting"** means the notice of annual general meeting accompanying this Explanatory Memorandum;

"Option" means an option to acquire a Share;

"Resolution" means a resolution the subject of the Notice;

"Shareholder" means the holder of a Share;

"Share" means an ordinary fully paid share in the capital of the Company; and

APPENDIX A

SUMMARY OF THE SHARE PURCHASE AND CONVERTIBLE SECURITY AGREEMENT

1 Parties

Golden Gate Petroleum Limited (the "**Company**").

The Australian Special Opportunity Fund, LP (the "**Investor**").

2 Shares and Convertible Security

2.1 Tranche Shares

- (a) On the Execution Date or such later date as may be determined under the Agreement, the Investor will make a prepayment to the Company for the purchase of Shares in the amount of AU\$100,000 (such prepayment, the "**First Closing**").
- (b) On each date that is 30 days after the date of the immediately preceding Closing or such later date as determined in accordance with the Agreement, the Investor will make a prepayment to the Company for the purchase of Shares in a Tranche Amount (being AU\$100,000, or by mutual agreement in writing by the Company and the Investor, an amount greater than AU\$100,000 but not exceeding AU\$300,000) in immediately available funds (each such prepayment, a "**Subsequent Closing**").
- (c) Under certain limited circumstances, the Tranche Amount may be lower than AU\$100,000.
- (d) There will be no more than 24 Closings and the maximum amount the Investor will pay for Tranche Shares is \$7,000,000.

2.2 Convertible Security

At the First Closing the Investor will advance to the Company AU\$500,000 for the issue of an uncertificated convertible security with a face value of AU\$550,000 (the "**Convertible Security**").

2.3 Company Option to Pause

The Company may, on giving 10 Trading Days' written notice (a "**Postponement Notice**") to the Investor prior to the next scheduled Closing Date, postpone that Closing Date by up to 3 calendar months from the date of that scheduled Closing Date (the "**Company Pause**") provided that:

- (a) the Company may only give a Postponement Notice if at least 6 Tranche Issuances have been made to the Investor under the Agreement; and
- (b) the Company may only give a Postponement Notice once every 12 months (excluding, for these purposes, any period comprising a prior Company Pause) during the Term.

3 Commencement Fee

At, or prior to, the First Closing, the Company must pay the Investor a non-refundable commencement fee of AU\$175,000 to be satisfied by the issuance of 51,470,588 Shares to the Investor (the "**Commencement Fee Shares**").

4 Collateral Shares

- (a) At the First Closing, the Company shall issue and deliver to the Investor the Collateral Shares.
- (b) From time to time:

- (i) the Collateral Shares may be capitalised (at the Investor's direction) to satisfy the Company's obligations to issue Tranche Shares or Conversion Shares; and
- (ii) the Investor may, and will no later than 10 Business Days after the expiry of the Term, purchase any remaining Collateral Shares at a price equal to 90% of the average of 3 daily VWAPs per Share, as selected by the Investor in its discretion, during the period:
 - (A) commencing 20 Trading Days prior to the date that is immediately prior to the date on which such payment is made by the Investor; and
 - (B) ending on the date that is immediately prior to the date on which such payment is made by the Investor.
- (c) The Collateral Shares:
 - (i) shall constitute security for the obligations owed to the Investor by the Company under the Agreement; and
 - (ii) may be sold, assigned, mortgaged or otherwise dealt with by the Investor to satisfy any undischarged obligation referred to in subparagraph (i).

5 Options

- (a) At, or prior to, the First Closing, the Company will grant to the Investor 45,000,000 options to purchase Shares at AU\$0.02 per Share (the "**Initial Options**").
- (b) On each Tranche Share Issuance Date or Conversion Date, the Company shall grant to the Investor such number of Subsequent Options as is equal to 20% of the number of Tranche Shares or Conversion Shares the subject of the relevant Tranche Share Issuance or Conversion, with such Subsequent Options to have an exercise price equal to 120% of the Purchase Price or Conversion Price applied to the relevant Tranche Share Issuance or Conversion.

6 Conditions Precedent to Subsequent Closing

6.1 Conditions Precedent to each Subsequent Closing - Investor

The Investor has no obligation to make a prepayment to the Company for the purchase of any Shares or to effect a Subsequent Closing, unless and until (in broad terms) the following conditions are fulfilled, or waived in writing by the Investor.

- (a) Delivery by the Company to the Investor of: (i) Cleansing Statement and Appendix 3B in respect of Tranche Shares issued, or if applicable, Conversion Shares, (ii) evidence that the ASX has granted quotation of the Tranche Shares, and if applicable, the Conversion Shares; (iii) a flow of funds request, (iv) copies of requested Board resolutions and copies of additional requested documents.
- (b) The Company has issued to the Investor the Tranche Shares for the Prepaid Tranche, and, if applicable, the Conversion Shares issuable to the Investor for a Conversion.
- (c) If applicable, the Company has granted any Subsequent Options.
- (d) The Company has obtained shareholder approval under Listing Rule 7.4 to the extent required to avoid a breach of Listing Rule 7.1.
- (e) Representations and warranties of the Company are materially true and correct.
- (f) The Company has complied with all agreements and covenants required by the Agreement.

- (g) Necessary consents, permits, approvals, registrations, waivers and documents have been obtained.
- (h) Quotation of Tranche Shares issued for the Prepaid Tranche and Conversion Shares issued on Conversion has commenced on ASX;
- (i) The Investor is of the opinion that: (i) any offer for sale by the Investor of any Tranche Shares or Conversion Shares will not need disclosure under the Corporations Act, (ii) the issue of such Tranche Shares and Conversion Shares will not result in the Company being in breach of the Listing Rules or any other law, (iii) no Event of Default has occurred or would result from the Closing being effected.
- (j) Receipt of all closing deliveries.

The conditions precedent to the First Closing (which were for the benefit of the Investor) are broadly similar to those set out above.

6.2 Conditions Precedent to each Subsequent Closing – Company

The Company shall have no obligation to effect a Subsequent Closing unless and until the following conditions are fulfilled, or waived in writing by the Company.

- (a) The Investor has complied with all agreements and covenants required by the Agreement.
- (b) Representations and warranties of the Investor are materially true and correct.

The conditions precedent (for the benefit of the Company) to the First Closing are broadly similar to those set out above.

7 Tranche Issuances and Conversions

7.1 Issue of Tranche Shares

- (a) In respect of each Tranche, the Company shall either:
 - (i) issue and deliver the Tranche Shares to the Investor on the Tranche Shares Issuance Date for that Tranche; or
 - (ii) repay the amount of that Tranche to the Investor as expressly permitted or required under clause 7.3.
- (b) The number of the Tranche Shares that the Company shall issue for a Tranche shall be determined by dividing the Australian dollar amount of that Tranche by the Purchase Price, provided that if the resultant number contains a fraction, such number shall be rounded up to the next highest whole number.
- (c) On each Tranche Share Issuance Date, the Investor will provide the Company with a notice ("**Tranche Notice**") setting out the Purchase Price applicable and the number of Tranche Shares due to be issued on such Tranche Shares Issuance Date or that Collateral Shares will be capitalised to satisfy the Company's obligations in whole or in part.

7.2 Conversions of the Convertible Security

- (a) On each date specified by the Investor (each a "**Conversion Date**") by providing the Company no less than 1 Business Day's prior notice ("**Conversion Notice**") at any time during the Term after the 120 day period that follows the Execution Date ("**Lock-up Period**") (each date of such notice, a "**Conversion Notice Date**"), the Company shall effect a conversion of the Convertible Security (each, a "**Conversion**") or the part thereof specified by the Investor in its Conversion Notice, by issuing Shares to the Investor or capitalising Collateral Shares ("**Conversion Shares**").
- (b) The Conversion Notice shall specify (among other things) the Conversion Amount, which must be an amount of not less than AU\$50,000, except where the Amount

Owing in respect of the Convertible Security that is outstanding is less than AU\$50,000.

- (c) The number of Conversion Shares that the Company shall issue and deliver in a Conversion shall be determined by dividing the Australian dollar amount of that Conversion by the Conversion Price, provided that if the resultant number contains a fraction, such number shall be rounded up to the next highest whole number.
- (d) Notwithstanding anything in the Agreement, in the absence of a prior Conversion Notice, the Investor will be deemed to have issued a conversion notice on the last day of the Term as Conversion Notice Date at the Conversion Price.
- (e) In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, the terms of the Convertible Security will be reconstructed to the extent necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction.

7.3 Company's Floor Price Protection

- (a) If the Purchase Price in respect of a Tranche Shares Issuance is less than the Floor Price the Company may elect to:
 - (i) make a payment in lieu of the Tranche Shares Issuance on the relevant Tranche Shares Issuance Date (the "**Optional Cash Payment**"), provided that:
 - (A) the Company repays 105% of the Tranche Amount that has been prepaid by the Investor for that Tranche; and
 - (B) the Company gives the Investor no less than 10 Business Days' written notice of its intention to undertake such payment in immediately available funds (a "**Floor Price Notice**"); and/or
 - (ii) terminate the Agreement at no further cost to the Company, in accordance with and to the extent permitted by clause 13(d).
- (b) No part of the Amount Outstanding shall be redeemable by the Company at any time, except as expressly set out in this clause 7 or otherwise in accordance with the Agreement.
- (c) Where the Company has given the Investor a Floor Price Notice, the Investor may elect at any time prior to the applicable Tranche Shares Issuance Date, to receive the Tranche Shares that are the subject of that Floor Price Notice by electing:
 - (i) to receive Tranche Shares, at the Purchase Price equal to the Floor Price; or
 - (ii) to exercise its Tranche Collateralisation Election (by dividing the Australian dollar amount of that Tranche by the Floor Price).

7.4 Extension By Investor

If the VWAPs per Share for any 5 consecutive Trading Days during the 20 Trading Days prior to a Tranche Share Issuance Date (the "**Floor Price Period**") are less than the Floor Price, the Investor may elect, in its sole discretion, to postpone by 15 Trading Days the Tranche Share Issuance Date (and/or the Tranche Share Issuance that would otherwise be due on that date) and the Closing that would otherwise immediately follow that Floor Price Period (a "**Postponement**").

7.5 Conditions to Tranche Shares Issuance and Conversion

The obligation of the Investor to accept an issuance of Tranche Shares, or accept a Conversion of all or any part of the part of the Convertible Security by way of Conversion Shares, shall be subject to the fulfilment of the conditions set out below.

- (a) All necessary regulatory approvals consents, permits, approvals, registrations and waivers have been issued and received.
- (b) The representations and warranties of the Company are materially true and correct.
- (c) The Company has complied in all material respects with all agreements and covenants required by the Agreement.
- (d) If the Tranche Shares or the Conversion Shares may not be issued without breaching Listing Rule 7.1, the Company has obtained an approval under Listing Rule 7.4.
- (e) No Event of Default has occurred or would result from the issuance or conversion.
- (f) Any offer for sale by the Investor of the Tranche Shares or Conversion Shares would not need disclosure under the Corporations Act, subject only to the Company giving a Cleansing Statement.
- (g) The issue and delivery of such Tranche Shares or Conversion Shares would not result in a breach of the Listing Rules or any other law.
- (h) ASX has not indicated to the Company that quotation of such Tranche Shares or the Conversion Shares will not be granted.
- (i) All required deliveries have been received.
- (j) The Investor has received an applicable holding statement in respect of such Tranche Shares or Conversion Shares.

8 Option Terms

8.1 Nature of Options

- (a) Each Option will grant the holder the right but not the obligation to be issued by the Company one Share at the Option Exercise Price.
- (b) Each Option is exercisable at any time after the time of its grant and prior to the date that is 36 calendar months after the issuance date of the relevant Option (the "**Option Expiration Date**"), after which time it will lapse.

8.2 Bonus Issues

If prior to an exercise of an Option, the Company makes an issue of Shares by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such Shares to at least all the holders of Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable shall be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

8.3 Rights Issues

If prior to an exercise of an Option, any offer or invitation is made by the Company to at least all the holders of Shares resident in Australia for the subscription for cash with respect to Shares, options or other securities of the Company on a pro rata basis relative to those holders' Share holding at the time of the offer, the Option Exercise Price shall be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).

8.4 Reconstruction of Capital

In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:

- (a) the number of the Shares to which each Option holder is entitled on exercise of the outstanding Options shall be reduced or increased in the same proportion as, and the nature of the Shares shall be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and
- (b) an appropriate adjustment shall be made to the Option Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options shall not alter.

8.5 Rights Prior to Exercise

Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.

8.6 Redemption

The Options are not redeemable by the Company.

8.7 Assignability and Transferability

The Options shall be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and applicable law.

9 Representations and Warranties

9.1 Representations and Warranties by the Company

In broad terms, the Company has provided representations and warranties in favour of the Investor in respect of various business matters and other representations and warranties commonly found in financing agreements such as the Agreement.

9.2 Representations and Warranties of the Investor

In broad terms, the Investor has provided representations and warranties in favour of the Company which are commonly found in financing agreements such as the Agreement.

10 Covenants and Agreements

10.1 Ranking of the Investor's Shares

- (a) The Investor's Shares shall rank equally in all respects with the existing Shares on the date of issue of the Investor's Shares.
- (b) At each issuance, the Company shall credit all Investor's Shares as fully paid.
- (c) All Investor's Shares shall be issued free and clear of any liens.

10.2 Ranking of Investor's interest in unissued Tranche Shares and the Convertible Security

- (a) The Investor's interest in unissued Tranche Shares, for which it has made a prepayment, shall, until such Tranche Shares Issuance has occurred, constitute a direct, general, subordinated, unsecured and unconditional obligation of the Company which, subject to clause 10.1(c), ranks with other unsecured subordinated obligations of the Company.
- (b) The Convertible Security shall constitute direct, general, subordinated unsecured and unconditional obligations of the Company which rank pari passu among themselves and with other unsecured subordinated obligations of the Company.

10.3 Rights of Investor

The right of the Investor to be issued Tranche Shares and Conversion Shares shall not confer on the Investor any entitlement to receive dividends or vote at a general meeting of shareholders of the Company.

10.4 Prohibited Transactions

From the date of execution of the Agreement until the date that is 30 days after the date of termination of the Agreement the Company shall not effect, or enter into an agreement to effect, any Prohibited Transaction.

10.5 Non-ASX Quotation

The Company shall not permit the Company or any of its securities to be listed or quoted on any financial market, quotation system, or stock exchange, other than the ASX, without the Investor's prior written consent.

10.6 Takeover Limitation

The Investor shall not acquire a relevant interest in the Shares which causes the voting power in the Company of the Investor and its associates (as defined in the Corporations Act) to exceed 19.99%.

10.7 Base Price

- (a) If the VWAPs per Share are equal to or less than the Base Price for any 2 consecutive Trading Days during the 20 Trading Days prior to a Tranche Shares Issuance Date (the "**Period**") (the "**Base Price Event**"), the Investor may elect to postpone by up to 60 days (from the dates on which it would otherwise occur) (the "**Pause Period**"), the Closing (the "**Postponed Closing**") that would otherwise immediately follow that Period (each, a "**Postponement at Base Price**").
- (b) There is no limitation on the number of Postponements at Base Price that the Investor may elect to undertake hereunder.
- (c) If any time during the Pause Period, each VWAP per Share in any 10 consecutive Trading Day period is greater than the Base Price (the "**First Renewal Prerequisite**"), the Company may on 5 Trading Days' written notice (the "**Renewal Notice Period**"), to be given no later than 3 Trading Days after the final date of the Pause Period, require the Investor to consummate the Postponed Closing; provided that the VWAPs per Share are greater than the Base Price on each day of the Renewal Notice Period (the "**Second Renewal Prerequisite**").
- (d) Where the First Renewal Prerequisite shall not have occurred during the Pause Period, or the Second Renewal Prerequisite shall not have occurred during the Renewal Notice Period, or the Company has not provided the Investor with the notice under clause 10.7(c), the Investor may, by written notice to the Company, effective immediately, terminate the Agreement.

10.8 Conduct of Business

The Company shall, and shall cause all of its Subsidiaries to carry on and conduct its business and the business of each subsidiary in a proper and efficient manner in accordance with good commercial practice, and ensure that while there is an Amount Outstanding, the voting and other rights attached to the Shares (or any other securities of the Company) are not altered in a manner which, in the reasonable opinion of the Investor, is materially prejudicial to the Investor.

10.9 Miscellaneous Negative Covenants

The Company shall not, and shall cause all of its Subsidiaries to not, without the Investor's written approval:

- (a) dispose, in a single transaction, or in a series of transactions, of all or any part of its assets unless such disposal is:
 - (i) in the ordinary course of business;
 - (ii) for fair market value; and
 - (iii) approved by the board of directors of the Company;
- (b) reduce its issued share capital or any uncalled liability in respect of its issued capital, except by means of a purchase or redemption of the share capital that is permitted under Australian law;
- (c) undertake any consolidation of its share capital;
- (d) change the nature of its business or the nature of the business of any subsidiary;
- (e) make an application under section 411 of the Corporations Act;
- (f) transfer the jurisdiction of incorporation of the Company or any of its Subsidiaries; or
- (g) enter into any agreement with respect to any of the matters referred to above.

10.10 Use of Proceeds

The Company shall use the funds received from the Investor under the Agreement for general corporate and working capital purposes that are reasonable in light of the nature of the Company's business as of the Execution Date, and not, among other things, for dividend payments, or the repayment or redemption of any indebtedness or obligations or interests held by any security holders.

11 Default

- (a) The Agreement sets out certain "Events of Default" which are commonly found in financing agreements such as the Agreement.
- (b) Upon the occurrence or existence of any Event of Default, the Investor may:
 - (i) declare, by notice to the Company, effective immediately, all outstanding obligations by the Company under the Transaction Documents to be immediately due and payable in immediately available funds (including, without limitation, the immediate repayment of any Amount Outstanding); and/or
 - (ii) terminate the Agreement, by notice to the Company, effective as of the date set out in the Investor's notice
- (c) The Investor shall have no obligation to accept a Tranche Shares Issuance or a Conversion or Conversion Shares or consummate a Closing under the Agreement where an Event of Default has occurred, for as long as such Event of Default continues, and the Tranche Shares Issuance Date and the Closing Date shall be deemed to be postponed accordingly, unless the Investor notifies the Company otherwise in writing.
- (d) Upon an Event of Default occurring, the interest payable on the Convertible Security shall be at a rate per annum of the interest rate prescribed for the purposes of section 101 of the *Civil Procedure Act 2005* (NSW) prevailing at the time of the Event of Default, which interest shall accrue from the earliest date of that part of the Convertible Security that remain outstanding and shall be compounded monthly, for as long as the Event of Default shall not have been remedied in accordance with clause 11(b).

12 Taxes

In broad terms, the Company agrees to indemnify the Investor against any tax it is required to pay to any Australian federal, state or other governmental authority in respect of any payment it receives from the Company.

13 Termination

The Agreement may be terminated:

- (a) by the mutual written consent of the Parties, at any time;
- (b) by either Party, by written notice to the other Party, effective immediately, if the First Closing has not occurred within 10 Business Days of the Execution Date;
- (c) by the Company, at no cost to the Company, by written notice to the Investor at any time 6 months after the Execution Date;
- (d) by the Company, by written notice to the Investor, at no cost to the Company where the Purchase Price for any Tranche will be less than the Floor Price, and the Company has notified the Investor of its desire to make the Optional Cash Payment;
- (e) by the Company, by written notice to the Investor at any time during the term of the Agreement, provided that the Company has paid the Investor a cancellation fee of AU\$150,000 in immediately available funds;
- (f) by the Investor, in accordance with clauses 10.7, 11 or (in broad terms) if it is illegal or impossible for the Investor to undertake the Contemplated Transactions;
- (g) by the Investor, by written notice to the Company, effective as of the date stipulated by the Investor, provided that the Company has given notice to the Investor of its intention to undertake, or has undertaken, or has become required to undertake, a payment in immediately available funds for any reason; or
- (h) by the Investor, by written notice to the Company, effective as of the date stipulated, if, as a consequence of any change of law, regulation or policy relating to tax after the Execution Date, the tax liability of the Investor increases from the position that is applicable at the Execution Date, provided such increase is more than de minimis.

14 Indemnification

In broad terms, and subject to certain exceptions, the Company agrees to indemnify the Investor, its affiliates and their directors, officers, members, shareholders and employees and agents (among others) against all losses and liabilities that are incurred in connection with:

- (a) a breach of the Agreement by the Company;
- (b) an untrue statement made by the Company of a material fact;
- (c) any non-disclosure of any material fact; and
- (d) the execution, delivery, performance or enforcement of the Transaction Documents or any of the Contemplated Transactions.

15 Adjustments

Each time when a Security Structure Event occurs, the Floor Price, Conversion Price, Purchase Price, the Base Price and the Collateral Shareholding Number shall be reduced or, as the case may be, increased, in the same proportion as the issued capital of the Company is, as the case may be, consolidated, subdivided or cancelled.

Glossary

In this Appendix, the following definitions apply, unless the context requires otherwise:

"Agreement" means the Share Purchase and Convertible Security Agreement, dated 12 March 2013, between the Company and the Investor.

"Amount Outstanding" means the total of all amounts paid to the Company by the Investor:

- (a) by way of prepayment for Tranche Shares in respect of which Tranche Shares have not yet been issued, or the amounts have not been repaid; and
- (b) for the Convertible Security, that part of the Face Value in respect of which Conversion Shares have not been issued, or the amounts have not been repaid.

"Base Price" means AU\$0.002, as may be adjusted in accordance with clause 15.

"Closing" means each of the First Closing and the Subsequent Closings.

"Closing Date" means the date of a Closing.

"Collateral Shareholding Number" means 50,000,000, as may be adjusted pursuant to clause 15.

"Collateral Shares" means the 50,000,000 Shares, issued to the Investor in accordance with clause 4.

"Contemplated Transactions" means the transactions contemplated in the Agreement.

"Conversion" has the meaning set out in clause 7.2(a).

"Conversion Notice Date" has the meaning set out in clause 7.2(a).

"Conversion Price", in relation to a Conversion, means the lesser of:

- (a) AU\$0.006; or
- (b) 90.0% of the average of three (3) daily VWAPs per Share (in Australian dollars, to three decimal places provided that if the resultant number contains four decimal places, such number shall be rounded down to the next lowest number containing three decimal places) selected by the Investor in its sole discretion, during the 20 consecutive Trading Days immediately prior to the relevant Conversion Notice Date.

"Conversion Shares" has the meaning given to that term in clause 7.2(a).

"Convertible Security" has the meaning given to that term in clause 2.2.

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

"Execution Date" means the date of mutual execution of the Agreement.

"First Closing" has the meaning given to that term in clause 2.1(a).

"Floor Price" means AU\$0.002, as may be adjusted in accordance with clause 15.

"Floor Price Period" has the meaning given to that term in clause 7.4.

"Initial Options" has the meaning given to that term in clause 5(a).

"Investor's Shares" means the Commencement Fee Shares, the Tranche Shares, the Conversion Shares, the Collateral Shares, and the Shares issued or issuable on exercise of the Options.

"Listing Rules" means the listing rules of the ASX, as amended from time to time.

"Optional Cash Payment" has the meaning given to that term in clause 7.3(a).

"Option Exercise Price" means a per option exercise price equal to:

- (a) with respect to the Initial Options, AU\$0.02; or
- (b) with respect to the Subsequent Options, the exercise price determined in accordance with clause 5(b),

subject to all adjustments pursuant to the Agreement.

"Options" means the Initial Options and the Subsequent Options.

"Postponement" has the meaning given to that term in clause 7.4.

"Prepaid Tranche" means, as to a Closing, the Tranche that has been prepaid by the Investor most recently prior to such Closing.

"Prohibited Transaction" means a transaction with a third party or third parties in which the Company issues or sells:

- (a) any debt, equity or equity-linked securities (including options) that are convertible into, exchangeable or exercisable for, or include the right to receive Shares:
 - (i) at a conversion, exercise or exchange rate or other price that is based on, and/or varies with, the trading prices of, or quotations for, the Shares; or
 - (ii) at a conversion, exercise or exchange rate or other price that is subject to being reset at some future date after the initial issuance of such debt, equity or equity-linked security or upon the occurrence of specified or contingent events; or
- (b) any securities in a capital or debt raising transaction or series of related transactions which grant to an investor the right to receive additional securities based upon future transactions of the Company on terms more favourable than those granted to such investor in such first transaction or series of related transactions.

For the avoidance of doubt, none of rights issuances, shareholder purchase plans, convertible securities, or equity issuances, each at a fixed price per Share, shall be deemed to be a Prohibited Transaction.

"Purchase Price", in relation to a Tranche Shares Issuance, as elected by the Investor in its sole discretion:

- (a) 90% of the average of 3 daily VWAPs per Share (in Australian dollars, to three decimal places provided that if the resultant number contains four or more decimal places, such number shall be rounded down to the next lowest number containing three decimal places), as selected by the Investor in its sole discretion, during the 20 consecutive Trading Days immediately prior to the relevant Tranche Shares Issuance Date (**Purchase Price A**); or
- (b) 130% of the average of the daily VWAPs per Share for the 20 consecutive Trading Days immediately prior to the Execution Date, calculated to be AU\$0.0052 per Share (**Purchase Price B**),

provided, however, that Purchase Price B shall no longer apply once it has been utilised in relation to 1 Tranche Share Issuance.

"Securities" means each of the Investor's Shares and the Options and the Convertible Security, and all of the Investor's Shares and the Options and the Convertible Security collectively.

"Security Structure Event" means any consolidation, subdivision or pro-rata cancellation of the Company's issued capital, or any payment of a dividend in ordinary shares of the Company or distribution of ordinary shares of the Company to holders of its outstanding ordinary shares; which for the avoidance of doubt, does not include a rights offering or a bonus issue.

"Share" means a fully paid ordinary share in the capital of the Company and includes (where applicable) Investor's Shares.

"Subsequent Options" means the options to purchase Shares at the Option Exercise Price per Share, granted pursuant to clause 5(b) and in accordance with the terms of the Agreement.

"Term" means the period commencing from the date of the First Closing and ending on the date that is 24 months from the date of the First Closing.

"Trading Day" has the meaning given to that term in the Listing Rules.

"Tranche" means the Australian dollar amount prepaid by the Investor to the Company pursuant to clause 2.1 at a Closing.

"Tranche Amount" in relation to an advance of funds under clause 2.1, means:

- (a) AU\$100,000 (the **"Base Amount"**); or
- (b) by mutual agreement in writing by the Company and the Investor, an amount greater than AU\$100,000 but not exceeding AU\$300,000.

"Tranche Shares" means the Shares issued or issuable by the Company to the Investor in relation to a Tranche.

"Tranche Shares Issuance" means an issue of Tranche Shares by the Company.

"Tranche Shares Issuance Date" means in relation to a Tranche, the 28th day after the date of the Closing of that Tranche, except:

- (a) as adjusted pursuant to any provisions of the Agreement; and
- (b) where a Tranche Shares Issuance Date falls on a day that is not a Business Day then the Business Day that immediately precedes the date that would otherwise be such Tranche Shares Issuance Date, is the Tranche Shares Issuance Date.

"Transaction Documents" means the Agreement, all Option certificates and Exercise Forms issued under the Agreement, all Cleansing Statements and any agreement amending, or amending and restating, the Agreement executed by the Parties.

"VWAP" means in relation to a Trading Day, the volume weighted average price (in Australian dollars, rounded to four decimal places) of the Shares traded in the ordinary course of business on the ASX on that Trading Day, excluding crossings executed outside the open session state, special crossings, overseas trades and trades pursuant to exercise of options over Shares, subject to all adjustments set out in the Agreement provided that:

- (a) if on that Trading Day, Shares were quoted on the ASX as cum dividend or cum any other distribution or entitlement, and the issue of Shares for the purpose of which the VWAP is being determined will occur after that date, and those Shares no longer carry that dividend or other distribution or entitlement, then the VWAP on that Trading Day shall be reduced by an amount (**"Cum Value"**) equal to:
 - (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution;
 - (ii) in the case of any other entitlement which is traded on the ASX on that Trading Day, the VWAP of such entitlements sold on the ASX on that Trading Day; or
 - (iii) in the case of an entitlement not traded on the ASX on that Trading Day, the value of the entitlement as reasonably determined by the Investor; and
- (b) if on that Trading Day, Shares were quoted on the ASX as ex-dividend or ex any other distribution or entitlement, and the Shares for the purpose of which the VWAP is being determined would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on that Trading Day shall be increased by the Cum Value.

PROXY FORM
GOLDEN GATE PETROLEUM LIMITED
ACN 090 074 785

Name Address 1
Name Address 2
Name Address 3
Name Address 4

Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse of the page.

I/We _____ of _____ being a shareholder/shareholders of Golden Gate Petroleum Limited pursuant to my/our right to appoint not more than two proxies, appoint:



The Chairman of the Meeting **OR**
(mark with an "X")

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.
Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (if no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held at Radisson Blu Hotel Sydney, 27 O'Connell Street, Sydney NSW 2000 on Friday 22 November 2013 at 10.00am (AEDT) and at any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the ordinary shares I/we hold.

Important for Resolution 1- If the Chair of the Meeting is your proxy or is appointed as your proxy by default

By marking the box below, you are directing the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolution 1 as set out in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1, the Chair of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on these items. If you appoint the Chair of the Meeting as your proxy you can direct the Chair how to vote by either marking the boxes next to each Resolution in the table below (for example if you wish to vote against or abstain from voting) or by marking the box below (in which case the Chair of the Meeting will vote in favour of Resolution 1).

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 1.



I/We direct the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolution 1 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

The Chair of the Meeting intends to vote all available proxies in **favour** of Resolutions 2 to 9 and **against** Resolution 10.

RESOLUTION	For	Against	Abstain *
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Christopher Porter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Robert Oliver	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of the previous issue of 117,500,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of the previous issue of 11,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of the previous issue of 67,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Ratification of the previous issue of 13,400,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Ratification of the previous issue of 65,555,556 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Ratification of the previous issue of 13,111,111 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Spill Resolution	<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 your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director/Company Secretary

Dated this _____ day of _____ 2013

Contact Name

Contact Business Telephone / Mobile

Proxies may be lodged either by facsimile on (+61 8) 9389 7871, by mail to Advanced Share Registry Services, PO Box 1156, Nedlands, Western Australia, 6909. To be valid, a proxy form must be received by the Company no later than 10am (AEDT) on 20 November 2013 (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 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 Annual General Meeting, that is by **10.00 am (AEDT) on 20 November 2013**, by post, facsimile or in person to the respective addresses stipulated on the proxy form.