



GOLDEN GATE PETROLEUM LTD

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28 October 2013

**Mr Dale Allen,
ASX Compliance Pty Ltd,
Level 8, Exchange Plaza,
2 The Esplanade,
PERTH WA 6000.**

Dear Dale,

I refer to your letter dated 24 October 2013.

The Company does not consider the settlement to be information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company took the following in to account in making the decision:

- The existence of the potential override claim was notified to the market in March 2011 when the acquisition of the Permian leases was announced to the market.
- The Company has continued to update the market on the existence of the override claim.
- The Company had accrued the value of the royalty amount awarded of approximately US\$50,000 and consequently there will be no expense incurred in the 2014 accounts for prior period royalties.
- The ongoing 1.5% over-riding royalty was not considered to be material given the Company's current level of sales.
- The award of approximately US\$ 50,000 in legal costs, which is not required to be paid until February and May 2014 was not considered to be material given the Company's current level of total expenditure.
- The cash outflow of the court decision will be spread across an 8 month period and was not expected to have a material effect on the Company's operations.
- The effect of the out of court settlement in aggregate is not expected to have a material effect on the Company's operations. It is the continuation of the status quo as fully reported. If the settlement had meant the end of the over-riding royalty interest, it would have been included as an event to report in the normal operational updates just as the existence of the over-ride had been fully disclosed.

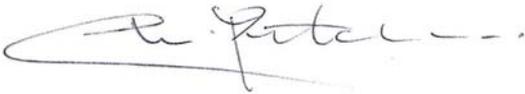
- The Company's share price is currently trading at \$0.001.

The Company confirms that it is in compliance with Listing Rule 3.1.

There is a strong likelihood that the complaint lodged with the ASX may either have been initiated by a shareholder who confused this out of court settlement with another legal dispute which would have some significance to our share price if a settlement had been reached, or by an individual wanting to force the issue of a separate disclosure of this matter to further their own gain.

In either case, we believe the complaint was not in the Company's best interest and is unsubstantiated as full disclosure had been made and the financial impact factored into the accounts.

Yours sincerely

A handwritten signature in black ink, appearing to read "Chris Ritchie", with a long horizontal flourish extending to the right.

Chris Ritchie
Company Secretary



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24 October 2013

Mr Chris Ritchie
Golden Gate Petroleum Limited
566 Elizabeth Street
Melbourne VIC 8006

By email: chrisr@mdbco.com.au

Dear Chris

Golden Gate Petroleum Limited (the "Company")

ASX Limited ("ASX") refers to the following:

1. The Company's requested trading halt in relation to clarification of a legal matter received by ASX at 11:05am (WST) on 23 October 2013 ("Trading Halt Request").
2. The Company's announcement entitled '*Resolution of an Over-riding Royalty Dispute*' released to the market at 7:20am (WST) on 24 October 2013 which noted the Company received written acknowledgement of an out of court settlement ("Settlement") between Kindee Oil & Gas Texas, LLC and Cathie Energy Texas LLC (both wholly owned subsidiaries of the Company) and Chalk Sea Development, Ltd regarding a 1.5% over-riding royalty interest on 18 October 2013 ("Royalty Dispute Announcement"). The Settlement involves costs awarded against the Company of approximately \$100,000.
3. Publicly available court records of Reagan County Court, Texas, USA which appear to indicate an out of court settlement was reached between Kindee Oil & Gas Texas, LLC and Cathie Energy Texas LLC (both wholly owned subsidiaries of the Company) and Chalk Sea Development, Ltd on 9 October 2013 ("Reagan Court Documents").
4. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
5. The definition of "aware" in Chapter 19 of the Listing Rules. This definition states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into

possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

6. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

7. ASX's policy position on the concept of “confidentiality” which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “Listing Rule 3.1A.2 – the requirement for information to be confidential”*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the Trading Halt Request, Royalty Dispute Announcement, the Reagan Court Documents and listing rule 3.1 we ask that you consider the following questions in a format suitable for release to the market in accordance with listing rule 18.7A:

1. Does the Company consider the Settlement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Company first become aware of the Settlement?
4. If the answer to question 1 is “yes” and the Company became aware of the Settlement prior to the time of the Trading Halt Request, please advise the following:

- 4.1. Why the Company did not make an announcement at an earlier time or request a trading halt at an earlier time, commenting specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay?
5. Please confirm that the Company is in compliance with listing rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **5:00pm (WST) Monday 28 October 2013**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at dale.allen@asx.com.au or by facsimile to **(08) 9221 2020**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Dale Allen
Adviser, Listings Compliance (Perth)