

Global Petroleum Limited

DECEMBER 2018 QUARTERLY REPORT

The Board of Global Petroleum Limited (“Global” or “Company”) is pleased to present its Quarterly Report for the period ending 31 December 2018.

Summary

- The Licence for Namibia Block 2011A, designated PEL 0094, was issued during the reporting period following the acquisition of the Block during the previous quarter.
- Block 2011A is located in the Walvis basis, immediately to the east of the Company’s current Licence, PEL 0029, which comprises Blocks 1910B and 2010A (see figure 1 below).
- The combination of the two Licences gives Global an interest in an aggregate area of 11,608 square kilometres offshore Namibia, which is one of the largest net acreage holdings in the region.
- The one-year extension to the First Renewal Period (FRP) for PEL 0029 formally expired in December 2018. However, the Licence remains in force pending agreement of the work commitment for the Second Renewal Period (SRP-below).
- A firm and contingent work programme was submitted to the Namibian Ministry of Mines and Energy (MME) during December 2018 and the Company expects a response from the MME regarding the work programmes shortly.
- In Italy, the Company announced that a total of eight appeals made against the Environmental Decrees (Decreets) for its applications in the Southern Adriatic have been rejected by the Administrative Tribunal in Rome (Tribunal).
- Two of the eight judgements relate to the Company’s applications d82 F.R-GP and d83 F.R-GP where the Decrees were originally granted in October 2016 (2016 Decrees) with the remaining six judgements relating to the d80 F.R-GP and d81 F.R-GP applications, (2017 Decrees - granted September 2017).
- Various appeals were deferred (see below for detail). The Company remains confident that all appeals will ultimately be rejected by the Tribunal.
- At a corporate level the Company held its Annual General Meeting on 29 November where all resolutions put to the meeting were passed with large majorities.

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Namibian Project

The Namibian Project consists of an 85% participating interest in Petroleum Exploration Licence (“PEL”) Number 0029 covering Blocks 1910B and 2010A and the recently acquired PEL 0094 which covers Block 2011A.

PEL0029, issued on 3 December 2010, originally covered 11,730 square kilometres and is located offshore Namibia in water depths ranging from 1,300 metres to 3,000 metres (Figure 1).

The Company’s wholly owned subsidiary, Global Petroleum Namibia Limited, formerly Jupiter Petroleum (Namibia) Limited, is operator of the Licence, with an 85% interest in the two blocks. Partners NAMCOR and Bronze Investments Pty Ltd (Bronze) hold 10% and 5% respectively, both as carried interests.

In December 2015, the Company entered into the First Renewal Exploration Period (Phase 2) of the Licence with a reduced Minimum Work Programme, making a mandatory relinquishment of 50% of the Licence Area. Phase 2 originally had a duration of 24 months.

Following reprocessing and evaluation of historic 2D data, as previously reported, the Company entered into a contract with Seabird Exploration of Norway in order to acquire 834 km of full fold 2D seismic data over its Blocks, which was shot in June/July 2017. Processing and interpretation of the new 2D seismic data was completed early in Q4 2017.

The new information significantly improved the prospectivity across PEL 0029 in general and the Gemsbok prospect in particular. Better imaging from the new 2D data revealed that the known source rock intervals are likely to be within the oil generative window and this, combined with data showing repeating oil seeps along the faulted flanks of Gemsbok, greatly improves the chance of a major oil discovery.

Consequently, the Company commissioned a Competent Person’s Report (“CPR”) in respect of its acreage from consultants AGR TRACS. Prospective resources have been calculated on three prospects: the Company’s primary structure, Gemsbok, as well as Dik and Lion. The results of the CPR are set out in more detail in the Company’s announcement on 15 January 2018.

In late 2017, the Company also negotiated and agreed with the Namibian Ministry of Mines and Energy (“MME”) an extension of the First Renewal Exploration Period (Phase 2) of the Company’s Licence of 12 months to 3 December 2018 which has now expired. At the same time the MME had previously agreed entry into the Second Renewal Period (Phase 3) effective from 3 December 2018 for a period of two years. Negotiation of the work programme for Phase 3 is currently underway.

PEL 0094 is located in the northern Walvis basin, immediately to the east of PEL 0029 (Figure 1). Global holds an 85% interest in the PEL 0094 as operator whilst State oil company, NAMCOR, and a local private company, Aloe Investments, hold interests of 10% and 5% respectively, both as carried interests.

The combination of the two licences gives Global an interest in an aggregate area of 11,608 square kilometres offshore northern Namibia, and makes it one of the largest net acreage holders in the region. Global believes that PEL 0094 contains the same plays as those detailed in the CPR for PEL 0029.

Under the PEL 0094 work programme, in the first two years of the Initial Exploration Period, Global will carry out various studies and will reprocess all existing seismic in the licence area, which includes a 3D seismic data

survey shot in the western part. The studies and reprocessing will enable the reservoirs in the Welwitschia structure and elsewhere in the acreage to be mapped with more confidence, and the leads to be identified more accurately.

At the end of two years, Global has the option either to shoot a new 2,000 square kilometre 3D seismic data survey in the eastern part of Block 2011A, or alternatively to relinquish the licence.

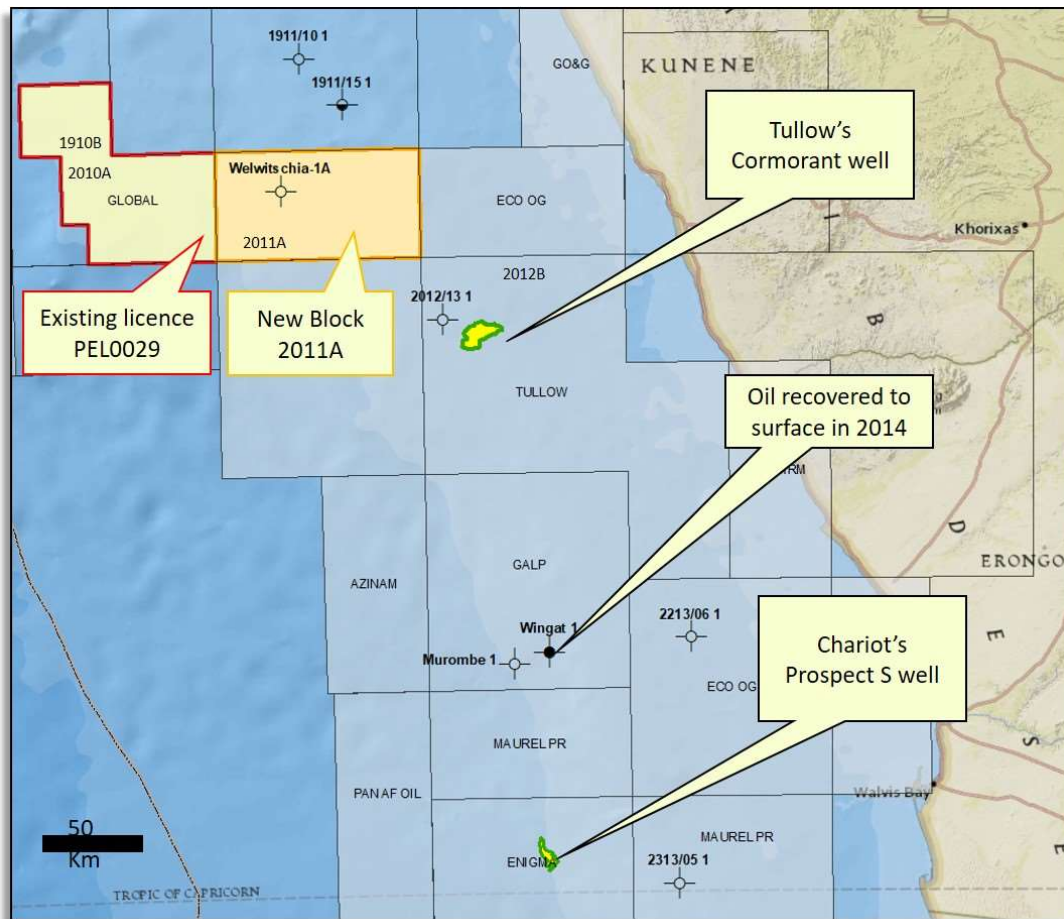


FIGURE 1 - Map of Namibia showing Global Licences.

Permit Applications in the Southern Adriatic, Offshore Italy

In August 2013, the Company submitted an application and proposed work programme and budget to the Italian Ministry of Economic Development for four exploration areas offshore Italy (the "Permit Applications" – Figure 2).

As previously reported, various local authorities and interest groups appealed against the Environmental Decrees in relation to applications d 82 F.R-GP and d 83 F.R-GP, which were published in October 2016. Publication of Environmental Decrees is the final administrative stage before grant of the Permits.

The Company announced in October 2017 that the remaining two Environmental Decrees in relation to the Permit Applications, designated d 80 F.R-GP and d 81 F.R-GP, had been published by the Italian authorities. As with the previous two Environmental Decrees, a number of appeals by various interested parties were made.

A total of seven parties filed appeals with the Tribunal against the 2016 Decrees: two were rejected at the scheduled hearing in Rome on 23 October 2018; however, five of the appellants filed further grounds for appeal, obliging the Tribunal to defer those five appeals until Q1 2019.

Nine parties filed appeals with the Tribunal against the 2017 Decrees. Seven appellants had their cases heard on 20 November 2018, six being rejected by the Tribunal with judgement in respect of one appellant being deferred. Two appellants filed further grounds for appeal at the Hearing, again obliging the Tribunal to defer hearing those appeals until Q1 2019.

Finally, three appellants filed appeals with the President of the Republic (one appellant against the 2016 Decrees, two against the 2017 Decrees), in all cases being out of time for appeal to the Tribunal.

Global is encouraged that the appeals heard by the Tribunal have all been rejected and remain confident that all the remaining appeals will be rejected once finally heard. Further, the Company understands that recent appeals against other Environmental Decrees in the Southern Adriatic have been rejected by the same Tribunal.

The Southern Adriatic and adjacent areas continue to be the focus of industry activity. Most notably, in Montenegro, offshore concessions were awarded in 2016/2017 to Energean and Eni/Novatek (the latter just 35 km from the nearest of the Applications). Eni/Novatek plan to spend nearly \$100 million on exploration on these permits where, reportedly, 3D seismic acquisition has recently been completed. Energean plans to spend nearly \$20 million on its permits, with 3D seismic acquisition reportedly imminent. In Albania, Shell continues to evaluate its Shpiragu discovery.

The four Application blocks are contiguous with the Italian median lines abutting Croatia, Montenegro and Albania respectively (Figure 2 below).

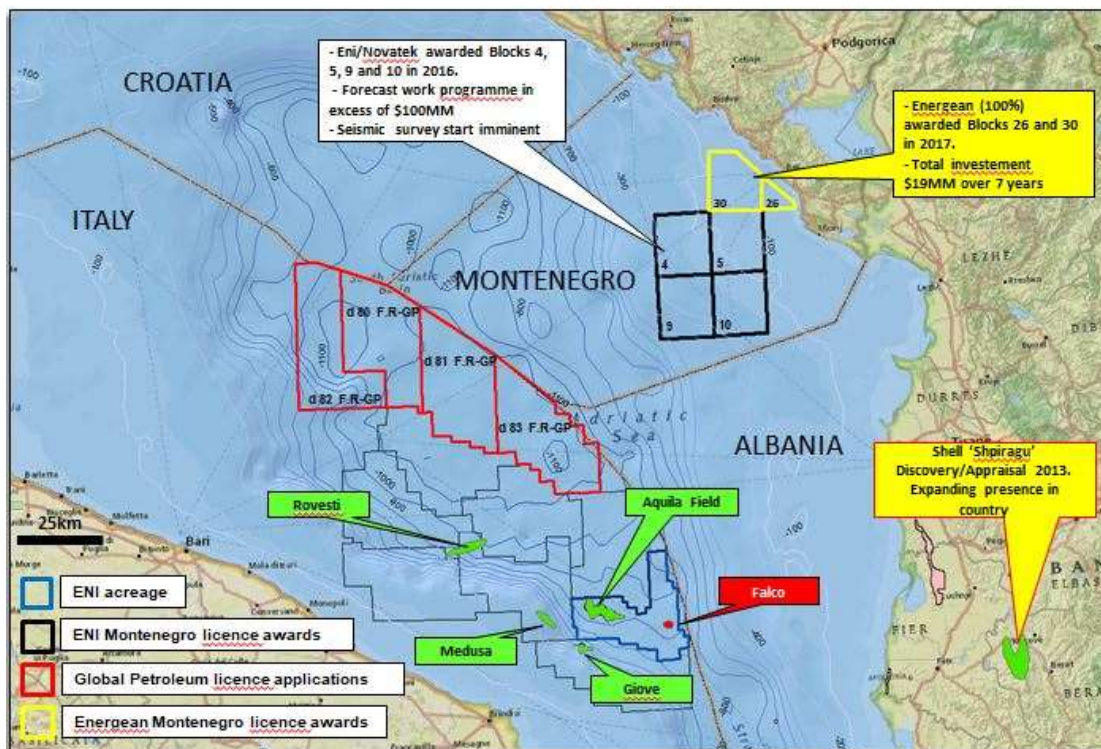


FIGURE 2 - Map of Southern Adriatic showing Italian permit applications.

ASX Listing Rule 5.4.3

Global provides the following information in accordance with ASX Listing Rule 5.4.3:

- The Company holds Petroleum Exploration Licence Number 29 covering Offshore Blocks 1910B and 2010A in the Republic of Namibia.
- The Company signed a Petroleum Agreement to acquire Offshore Block 2011A, in the Republic of Namibia. Petroleum Exploration Licence Number 94 covering the Offshore Block 2011A was issued during the reporting period.
- Other than Block 2011A, no granted petroleum tenements were acquired or disposed of by the Company during the reporting period.
- No beneficial percentage interests in joint venture, farm-in or farm-out agreements were acquired or disposed of by the Company during the reporting period.

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