

GLOBAL PETROLEUM LIMITED AND CONTROLLED ENTITIES

ABN: 68 064 120 896

**Financial Report For The Half Year Ended
31 December 2018**

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14 March 2019

Dear Shareholders,

We are pleased to present to you the Global Interim Financial Report for the half-year ended 31 December 2018.

The main focus of the Company during the reporting period was offshore Namibia where the Company secured a Petroleum Agreement to acquire Block 2011A, with the relevant licence designated PEL 0094. Global holds an 85% interest in PEL 0094 as operator. State oil company, NAMCOR, and Namibian private company Aloe Investments, have carried interests of 10% and 5% respectively.

PEL 0094 is located in the Walvis basin, immediately to the east of the Company's current licence PEL 0029, which comprises Blocks 1910B & 2010A. The combination of the two licences gives Global an interest in an aggregate area of 11,608 square kilometres offshore Namibia, which is currently one of the largest net acreage holdings in the region.

Regarding PEL 0029, the one-year extension period to the First Renewal Period formally expired in December 2018. However, the Licence remained in force pending an agreement on the work commitment for the Second Renewal Period, and on 1 March 2019 the Company announced that it had reached agreement on the work commitment with the Namibian Ministry of Mines and Energy (MME), back-dated to December 2018.

In Italy, the Company announced that a total of eight appeals made against the Environmental Decrees ('Decrees') for its applications in the Southern Adriatic have been rejected by the Administrative Tribunal in Rome. Two of 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, with the remaining six judgements relating to applications d80 F.R-GP and d81 F.R-GP.

Subsequent to the reporting period the Company was informed that the Italian Parliament has passed a Bill suspending all hydrocarbon exploration activities, which includes permit applications, for a period of 18 months.

Notwithstanding this 18 month moratorium, Global continues to regard its Adriatic application areas as potentially valuable assets and prospective for both oil and gas. All the judgements so far published regarding the appeals in relation to the Company's Southern Adriatic applications have gone in Global's favour. Of the remaining appeals, a further two were heard in January (judgements are awaited) and the balance are due to be heard in March 2019. The Company is advised that the normal legal process will continue, and expects that the remaining appeals will also be rejected by the Tribunal. Whilst these court processes have been a frustration to the Company, the conclusion of the proceedings is likely to overlap with the exploration moratorium such that Global believes that the practical impact on its operations will be less than the 18 month period that has been prescribed.

Financial

During the half-year ended 31 December 2018, the Group recorded a loss after tax of US\$916,390 (31 December 2017: loss US\$975,145). Cash balances at 31 December 2018 amounted to US\$3,784,181 (30 June 2018: US\$4,928,998). The Group currently has no debt.

Outlook

The Company remains committed to offshore Namibia where work will continue in seeking a farm-out partner to fund future operations on both PEL 0029 and PEL 0094. The Company also remains committed to pursuing its Italian applications, notwithstanding the recent moratorium imposed by the Italian Parliament.

John van der Welle
Chairman

Peter Hill
Chief Executive Officer

DIRECTORS' REPORT



1. OPERATING AND FINANCIAL REVIEW

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.

PEL 0029, 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 prospectively 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. However the Licence remained in force pending an agreement on the work commitment for the two year Second Renewal Period (Phase 3), and on 1 March 2019 the Company announced it had reached agreement on the work commitment with the MME, back-dated to 3 December 2018.

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.

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.

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.

1. Operating and Financial Review (continued)

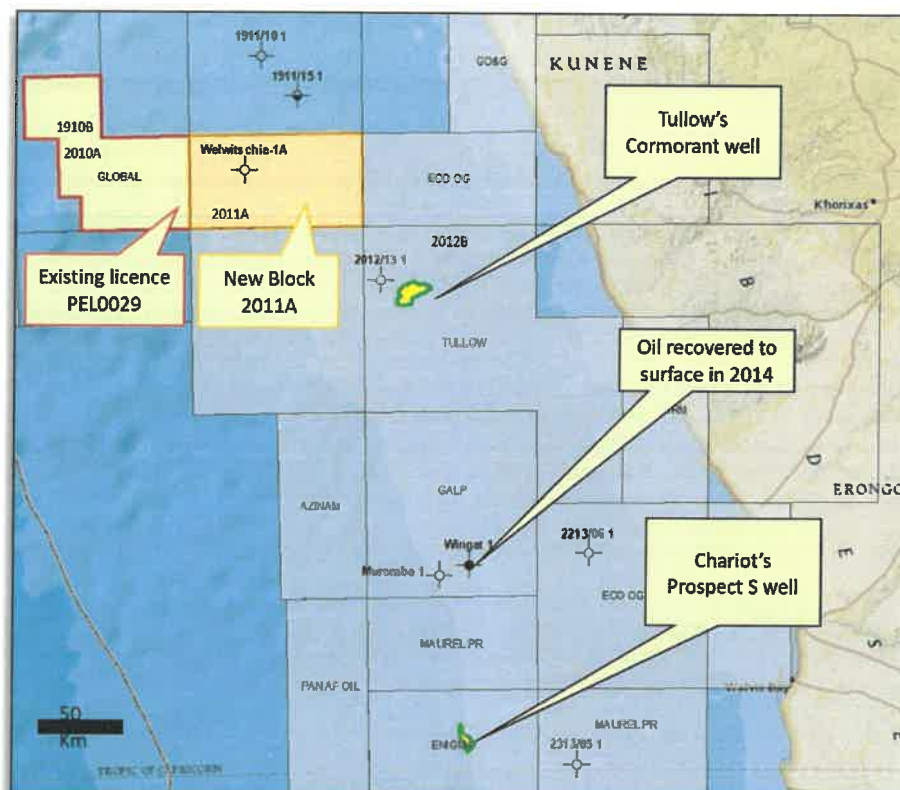


FIGURE 1 - Map of Namibia showing Global Licences.

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.

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.

Subsequent to the reporting period the Company was advised that the Italian Parliament has passed a Bill suspending all hydrocarbon exploration activities - including permit applications - for a period of 18 months.

DIRECTORS' REPORT



1. Operating and Financial Review (continued)

Under the proposed legislation, the Ministries of Economic Development and Environment will review all onshore and offshore areas for the stated purpose of evaluating their suitability for hydrocarbon exploration and development in future. In doing so, the suitability of such activities in the context of social, industrial, urban, water resource and environmental factors will be evaluated. In offshore areas, suitability will additionally be assessed having regard to the impact of such activity on the littoral environment, marine ecosystems and shipping routes.

Following the 18-month evaluation period, the intention is that a hydrocarbon plan will be activated, setting out a strategy for exploration and production, notably those areas to be excluded from future hydrocarbon exploitation.

Notwithstanding this 18-month moratorium, Global continues to regard its Adriatic application areas as potentially valuable assets and prospective for both oil and gas. All the judgements so far published regarding the appeals in relation to the Company's Southern Adriatic applications have gone in Global's favour. Whilst these court processes have been a frustration to the Company, the conclusion of the proceedings is likely to overlap with the exploration moratorium such that Global believes that the practical impact on its operations will be less than the 18-month period that has been prescribed.

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).

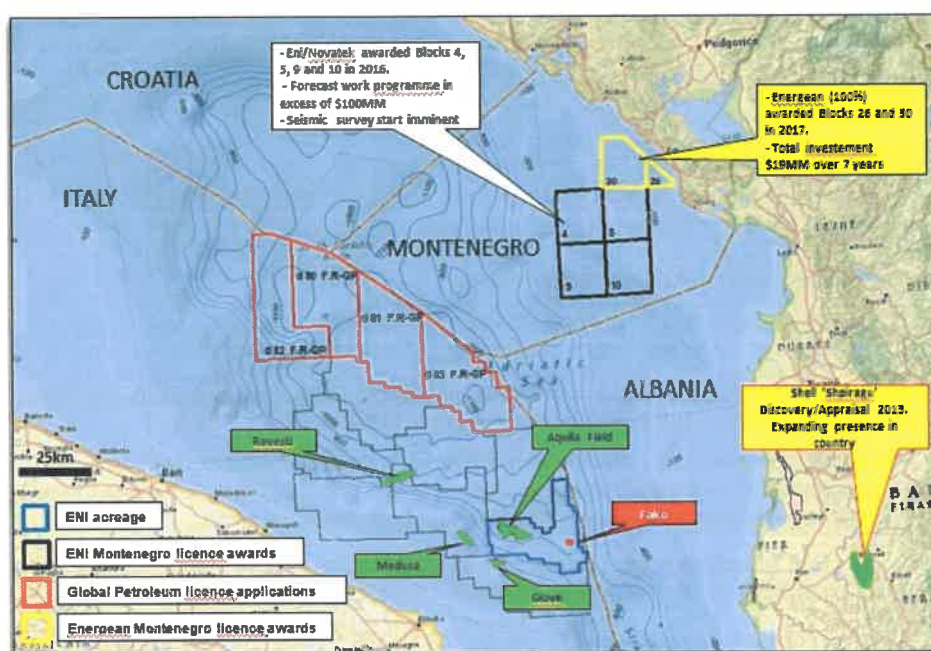


FIGURE 2 - Map of Southern Adriatic showing Italian permit applications.

Outlook

The Company remains committed to offshore Namibia where work will continue in seeking a farm-out partner to fund future operations on both PEL 0029 and PEL 0094. The Company also remains committed to pursuing its Italian applications, notwithstanding the recent moratorium imposed by the Italian Parliament.

Presentation currency

The financial information in this half year report is presented in United States Dollars (US\$).

DIRECTORS' REPORT



2. DIRECTORS

The Directors of the Company at any time during or since the end of the half year are:

Non-Executive

Mr John van der Welle Chairman
Mr Peter Blakey
Mr Andrew Draffin
Mr Garrick Higgins
Mr Peter Taylor

Executive

Mr Peter Hill Managing Director and Chief Executive Officer

3. ASX LISTING RULE 5.4.3

The following information is provided in accordance with ASX Listing Rule 5.4.3:

- The Company holds Petroleum Exploration Licence Number 29 covering Offshore Blocks 1910B, 2010A.
- In 2018 the Company acquired Petroleum Exploration Licence Number 94 covering Offshore Block 2011A in the Republic of Namibia.
- Except in relation to PEL 0094, no beneficial percentage interests in joint venture, farm-in or farm-out agreements were acquired or disposed of by the Company during the review period.

4. SUBSEQUENT EVENTS

Subsequent to the reporting period the Company was informed that the Italian Parliament has passed a Bill suspending all hydrocarbon exploration activities, which includes permit applications, for a period of 18 months. The moratorium affects the Company's applications offshore Italy. The Company understands that the moratorium will not impact on the appeals process, which the Company's is currently defending, with the normal legal process to continue. Therefore the conclusion of the proceedings is likely to overlap with the exploration moratorium resulting in the practical impact on the Company's operations being less than the 18-month period that has been prescribed.

The Company announced on 1 March 2019, that it had reached agreement on the PEL 0029 work commitment with the MME for the Second Renewal Period, back-dated to 3 December 2018.

5. AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the 6 month period ended 31 December 2018.

Signed in accordance with a resolution of the Directors:


ANDREW DRAFFIN
Director and Company Secretary
14 March 2019



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Global Petroleum Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Global Petroleum Limited for the half-year ended 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

E. Neville Stanley

Erin Neville-Stanley
Partner

Brisbane
14 March 2019

**CONDENSED CONSOLIDATED
STATEMENT OF PROFIT AND LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**



	Consolidated Group	
	For the six months ended 31 December	
Note	2018 US\$	2017 US\$
Salaries and employee benefits expense	(196,060)	(205,755)
Administrative expenses	(519,167)	(536,465)
Other expenses	(81,086)	(91,360)
Exploration and business development expenses	(118,180)	(55,164)
Foreign exchange loss	(23,727)	(3,422)
Equity based remuneration	-	(128,167)
Results from operating activities	(938,220)	(1,020,333)
Finance income	21,830	45,188
Net finance income	21,830	45,188
Loss before income tax	(916,390)	(975,145)
Tax benefit (expense)	-	-
Loss for the period	(916,390)	(975,145)
Other comprehensive income		
Foreign currency translation differences - foreign operations	-	-
Other comprehensive (loss) for the period, net of tax	-	-
Total comprehensive (loss) for the period	(916,390)	(975,145)
Earnings per share		
From continuing and discontinued operations:		
Basic earnings (loss) per share (cents)	(0.45)	(0.48)
Diluted earnings (loss) per share (cents)	(0.45)	(0.48)

The accompanying notes form part of the financial statements.

**CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**



	Note	Consolidated Group	
		31 December 2018	30 June 2018
		US\$	US\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,784,181	4,928,998
Trade and other receivables		64,801	97,416
Prepayments		77,412	68,502
TOTAL CURRENT ASSETS		3,926,394	5,094,916
NON-CURRENT ASSETS			
Plant and equipment		4,933	4,755
Explorations assets	4	2,135,729	1,988,145
TOTAL NON-CURRENT ASSETS		2,140,662	1,992,900
TOTAL ASSETS		6,067,056	7,087,816
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		156,181	267,511
Provisions		148,055	141,095
TOTAL CURRENT LIABILITIES		304,236	408,606
TOTAL LIABILITIES		304,236	408,606
NET ASSETS		5,762,820	6,679,210
EQUITY			
Issued share capital		39,221,112	39,221,112
Reserves		1,535,305	1,535,305
Accumulated losses		(34,993,597)	(34,077,207)
TOTAL EQUITY		5,762,820	6,679,210

The accompanying notes form part of the financial statements.

**CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**



	Share Capital	Foreign Currency Translation Reserve	Option Reserve	Accumulated Losses	Total
	US\$	US\$	US\$	US\$	US\$
Consolidated Group					
Six months ended 31 December 2017					
Balance at 1 July 2017	39,221,112	570,410	836,728	(32,111,637)	8,516,613
Comprehensive income					
Net profit (loss) for the period	-	-	-	(975,145)	(975,145)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(975,145)	(975,145)
Transactions with owners, in their capacity as owners, and other transfers					
Issue of options	-	-	128,167	-	128,167
Total transactions with owners and other transfers	-	-	128,167	-	128,167
Balance at 31 December 2017	39,221,112	570,410	964,895	(33,086,782)	7,669,635
Six months ended 31 December 2018					
Balance at 1 July 2018	39,221,112	570,410	964,895	(34,077,207)	6,679,210
Comprehensive income					
Net profit (loss) for the period	-	-	-	(916,390)	(916,390)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(916,390)	(916,390)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period	-	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-	-
Balance at 31 December 2018	39,221,112	570,410	964,895	(34,993,597)	5,762,820

The accompanying notes form part of the financial statements.

**CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**



Consolidated Group
For the six months ended December

	2018 US\$	2017 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(926,093)	(1,229,848)
Interest received	21,830	45,188
GST and VAT refunds received	25,937	93,740
Net cash (used in) operating activities	<u>(878,326)</u>	<u>(1,090,920)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and business development expenditure	(265,764)	(628,680)
Payments for property, plant and equipment	(727)	-
Net cash (used in) investing activities	<u>(266,491)</u>	<u>(628,680)</u>
 Net increase/(decrease) in cash and cash equivalents	 (1,144,817)	 (1,719,600)
Cash and cash equivalents at 1 July	4,928,998	7,807,605
Effect of exchange rates fluctuations on cash and cash equivalents	-	(7,144)
Cash and cash equivalents at 31 December	<u><u>3,784,181</u></u>	<u><u>6,080,861</u></u>

The accompanying notes form part of the financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED
HALF YEAR FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**



Note 1 Reporting Entity

Global Petroleum Limited ("Global") is a company domiciled in Australia. Global is a company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange (ASX) and the London Stock Exchange (AIM). The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2018 comprise the Company and its controlled entities (together referred to as the "Group"). The Group is a for-profit entity and is primarily involved in oil and gas exploration and development.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2018 are available upon request from the Company's registered office at Level 5, Toowong Tower, 9 Sherwood Road, Brisbane, QLD 4066, Australia or at www.globalpetroleum.com.au.

Note 2 Basis of Preparation

Statement of compliance

These interim financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting, the Corporations Act 2001 and IAS 34 Interim Financial Reporting. They should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 June 2018 ('last annual financial statements'). They do not include all of the information required for a complete set of annual financial statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 March 2019.

The financial information in this half year report is presented in United States dollars ("US\$").

Use of judgement and estimates

In preparing these interim financial statements, management has made adjustments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Any significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2018.

Note 3 Summary of Significant Accounting Policies

The accounting policies applied in these financial statements are the same as those applied to the Group's consolidated financial statements as at and for the year ended 30 June 2018, except for below.

Adoption of AASB 15

The Group has adopted AASB 15 - *Revenue from contracts with customers* from 1 July 2018. AASB 15 supersedes AASB 18 - *Revenue*. AASB15 does not have any impact given the Group has no revenue.

Adoption of AASB 9

The Group has adopted AASB 9 - *Financial Instruments* from 1 July 2018. There was no material impact of applying AASB 9 to financial instruments and as such no adjustment was made on transition.

**NOTES TO THE CONDENSED CONSOLIDATED
HALF YEAR FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**



Note 4 Exploration Assets

	6 months to 31 December 2018 US \$	12 months to 30 June 2018 US \$
Balance at beginning of period	1,988,145	1,109,115
Expenditure incurred and capitalised during the period	147,584	879,030
Balance at end of period	2,135,729	1,988,145

The Group's exploration assets at period end relate solely to its Namibian Project.

During the reporting period, the Group also incurred exploration and evaluation expenditure of US\$62,462 (31 December 2017: nil) which has been expensed as business development as it did not meet the criteria for recognition as exploration assets under the Group's accounting policy.

In addition, an amount of US\$55,718 (31 December 2017: US\$55,164) was spent on business development, which relates to the Group's activities in assessing other opportunities in the oil and gas sector.

Namibia

In November 2017, Global Petroleum Namibia Limited ("GBP") agreed with The Ministry of Mines and Energy ("MME") an extension to the First Renewal Exploration Period of 12 months to 3 December 2018. In addition, the MME has agreed entry into the Second Renewal Period effective from 3 December 2018.

In September 2018, GBP was awarded Licence PEL 0094 and the Petroleum Agreement was signed on 11 September 2018. The Initial Exploration Period runs for four years, and is divided into two sub periods of two years each; IEP1, and IEP2. IEP 1 runs from September 2018 to September 2020. During IEP1, Global has undertaken to purchase and reprocess the existing available 3D Seismic data and other 2D data, as well as some additional G & G studies.

Exploration commitments on the Company's exploration tenements are detailed in Note 10.

Note 5 Interests in Subsidiaries

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group.

Name of subsidiary	Country of Incorporation	Ownership interest held by the Group	
		2018 (%)	2017 (%)
Global Petroleum UK Limited	United Kingdom	100	100
Global Petroleum Exploration Limited	United Kingdom	100	100
Global Petroleum Namibia Limited	British Virgin Islands	100	100

**NOTES TO THE CONDENSED CONSOLIDATED
HALF YEAR FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**



Note 6 Issued Capital

Options issued

On 14 November 2017, following AGM approval, options were issued to some of the Directors. They were valued at AUD \$0.021 (US \$0.016) per option. The fair value of the options were determined by adopting a Binomial options pricing model. The total expense arising from the equity based payment for the 6 month period to 31 December 2017 was US\$128,167. There were no vesting or performance conditions. They are exercisable before 13 November 2022. No options were issued in the 6 months to 31 December 2018.

6 months to 31 December 2017	Number of options	Value of options
Peter Hill	6,000,000	AU\$126,000 (US\$96,125)
John van der Welle	1,000,000	AU\$21,000 (US\$16,022)
Andrew Draffin	500,000	AU\$10,500 (US\$8,010)
Garrick Higgins	500,000	AU\$10,500 (US\$8,010)
Total	8,000,000	AU\$168,000 (US\$128,167)

No options were exercised or cancelled in the 6 month period to 31 December 2018 or 2017.

Note 7 Operating Segments

The following is an analysis of the Group's revenue and results by reportable segment.

Africa - the Group currently holds prospective oil and gas exploration interests offshore Namibia.

(a) Segment information

(i) Segment performance

For the six months ended 31 December	Africa		Consolidated	
	2018 US\$	2017 US\$	2018 US\$	2017 US\$
Segment revenue				
External revenue	-	-	-	-
Total Revenue	-	-	-	-
Segment result				
Segment result	-	-	-	-
Interest income	-	-	21,830	45,188
Net foreign exchange gain (loss)	-	-	(23,727)	(3,422)
Corporate and administration costs	-	-	(914,493)	(888,744)
Equity based remuneration	-	-	-	(128,167)
Loss for the period before tax	-	-	(916,390)	(975,145)
Income tax benefit	-	-	-	-
Loss for the 6 months period	-	-	(916,390)	(975,145)

(ii) Segment assets and liabilities

As at 31 December	Africa		Consolidated	
	31 December 2018 US\$	30 June 2018 US\$	31 December 2018 US\$	30 June 2018 US\$
Assets				
Segment assets	2,149,161	2,004,324	2,149,161	2,004,324
Unallocated assets	-	-	3,917,895	5,083,492
Consolidated assets	2,149,161	2,004,324	6,067,056	7,087,816
Liabilities				
Segment liabilities	19,205	87,282	19,205	87,282
Unallocated liabilities	-	-	285,031	321,324
Consolidated liabilities	19,205	87,282	304,236	408,606

Note 8 Share-based Payments

No share based payments were made during the 6 month period to 31 December 2018.

Note 9 Financial Instruments

The financial assets and liabilities consist of trade and other receivables and trade and other payables. The financial assets and liabilities are carried at amortised cost, the carrying value is assumed to approximate their fair value.

Note 10 Capital and Joint Venture Commitments

(a) Exploration and expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various foreign governments where exploration tenements are held. These obligations are subject to renegotiation when application for a tenement is made and at other times. These obligations are not provided for in the financial statements. Financial commitments for subsequent periods can only be determined at future dates, as the success or otherwise of exploration programmes determines courses of action allowed under options available in tenements. The Group's only exploration expenditure commitments relate to its interest in joint ventures. Refer to Note 10(b) for further information.

(b) Joint venture commitments

Global Petroleum Namibia Limited, a 100% subsidiary of the Group, holds prospective oil and gas exploration interests offshore Namibia. In order to maintain current rights to tenure to the exploration licences, Global is required to perform minimum exploration work to meet the minimum expenditure requirements specified in the Namibian Petroleum Exploration Agreement.

Namibia Licence PEL 0029

The obligations include:

- (i) **First Renewal Exploration Period** (Two years from 3 December 2015 to 3 December 2017 - with subsequent extension to 3 December 2018):
 - Following the completion of the minimum required exploration expenditure for the 2 year period, in November 2017, Global agreed with the MME an extension to the First Renewal Exploration period of 12 months to 3 December 2018.
 - The minimum work programme for the one year extension is the acquisition of 600 square kilometres of 3D seismic data, contingent upon Global concluding a farm-out agreement with a third party to fund the acquisition of the 3D data. If the 3D acquisition is not completed during the 12 month extension period, it may be carried over into the Second Renewal Period.
- (ii) **Second Renewal Period** (Two years from 3 December 2018):
 - During the Second Renewal Period, effective from 3 December 2018 for a period of two years, the firm commitment is work programme that consists of various studies, including mapping of source rock, mapping of contourites deposits, fault studies and amplitude versus offset (AVO) analyses and extended elastic impedance (EEI) studies on seismic data. The financial commitment to undertake the firm work programme is US\$350,000. In addition, and carried over from the First Renewal Period (Phase 2) extension, is the acquisition of 600 sq km of 3D Seismic data - contingent upon the Company concluding a farmout and drilling one exploration well, depth and location yet to be agreed.

Global Petroleum Namibia Limited has an 85% interest in the Petroleum Exploration Licence, however, it is responsible for 100% of the expenditure requirements with its joint venture partners holding a total of 15% free carried interest.

Namibia Licence PEL 0094

Global was awarded this licence in Namibia in September 2018, and the Petroleum Agreement was signed on 11 September 2018. The Initial Exploration Period runs for four years, and is divided into two sub periods of two years each; IEP1, and IEP2. IEP 1 runs from September 2018 to September 2020. During IEP1 Global has undertaken to purchase and reprocess the existing available 3D Seismic data and other 2D data, as well as some additional G&G studies. The financial commitment for this work program is US\$1,300,000.

Global Petroleum Namibia Limited has an 85% interest in the Petroleum Exploration Licence, however, it is responsible for 100% of the expenditure requirements with its joint venture partners holding a total of 15% free carried interest.

The Group issued a bank guarantee for US\$130,050 to secure licence PEL 0094 during the reporting period.

Note 11 Subsequent events

Subsequent to the reporting period the Company was informed that the Italian Parliament has passed a Bill suspending all hydrocarbon exploration activities, which includes permit applications, for a period of 18 months. The moratorium affects the Company's applications offshore Italy. The Company understands that the moratorium will not impact on the appeals process, which the Company's is currently defending, with the normal legal process to continue. Therefore the conclusion of the proceedings is likely to overlap with the exploration moratorium resulting in the practical impact on the Company's operations being less than the 18-month period that has been prescribed.

The Company announced on 1 March 2019, that it had reached agreement on the PEL0029 work commitment with the MME for the Second Renewal Period, back-dated to 3 December 2018.

DIRECTORS' DECLARATION



In the opinion of the Directors of Global Petroleum Limited:

1. the condensed consolidated interim financial statements and notes, as set out on pages 7 to 14, are in accordance with the Corporations Act 2001 and:
 - (a) give a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors

Director

A handwritten signature in black ink, appearing to read "Mr Andrew Draffin", written over a horizontal line.

Mr Andrew Draffin

Dated this 14 March 2019



Independent Auditor's Review Report

To the shareholders of Global Petroleum Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Global Petroleum Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Global Petroleum Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2018;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half year ended on that date;
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Global Petroleum Limited (the Company) and the entities it controlled at half year end or from time to time during the half year.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Global Petroleum Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Erin Neville-Stanley
Partner

Brisbane
14 March 2019