

29 October 2019

Global Petroleum Limited



SEPTEMBER 2019 QUARTERLY REPORT

The Board of Global Petroleum Limited ("Global" or "Company") is pleased to present its Quarterly Report for the period ending 30 September 2019.

Summary

- In Namibia:
 - the Company continued to carry out interpretation of the existing data in PEL 0094;
 - further contacts were made with counterparties in relation to a potential farm-out of PEL 0094 and PEL 0029.
- In Italy, during the reporting period, the Company announced that:
 - the Rome Tribunal rejected the sole outstanding appeal against the Environmental Decrees for the Company's applications: by the town of Trani, in relation to d82 F.R-GP and d83 F.R-GP, again with an award of costs against the appellant – this means that all first instance appeals made to the Rome Tribunal have been adjudicated in Global's favour;
 - Puglia, as the Italian region principally interested, made additional appeals to the Council of State (the highest level of appeal in Italy) against the judgements of the Rome Tribunal in relation to the Company's other two applications, d80 F.R-GP and d80 F.R-GP, having previously made appeals against the judgements in relation to applications d82 F.R-GP and d83 F.R-GP. All of the appeals made by Puglia are to be heard by the Council of State in January 2020.

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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 PEL 0094 (acquired in 2018) 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 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 December 2018. 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. Subsequently, a firm work programme for Phase 3 was agreed with the MME whereby the Company will undertake various studies, including mapping of source rock, mapping of contourites deposits, fault studies and amplitude versus offset analyses and extended elastic impedance studies on seismic data.

The financial commitment to undertake the work programme is estimated at US\$350,000. In addition, and carried over from the First Renewal Period (Phase 2), is the acquisition of 600 sq km of 3D seismic data – contingent upon the Company concluding a farmout – and the drilling of one exploration well.

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.

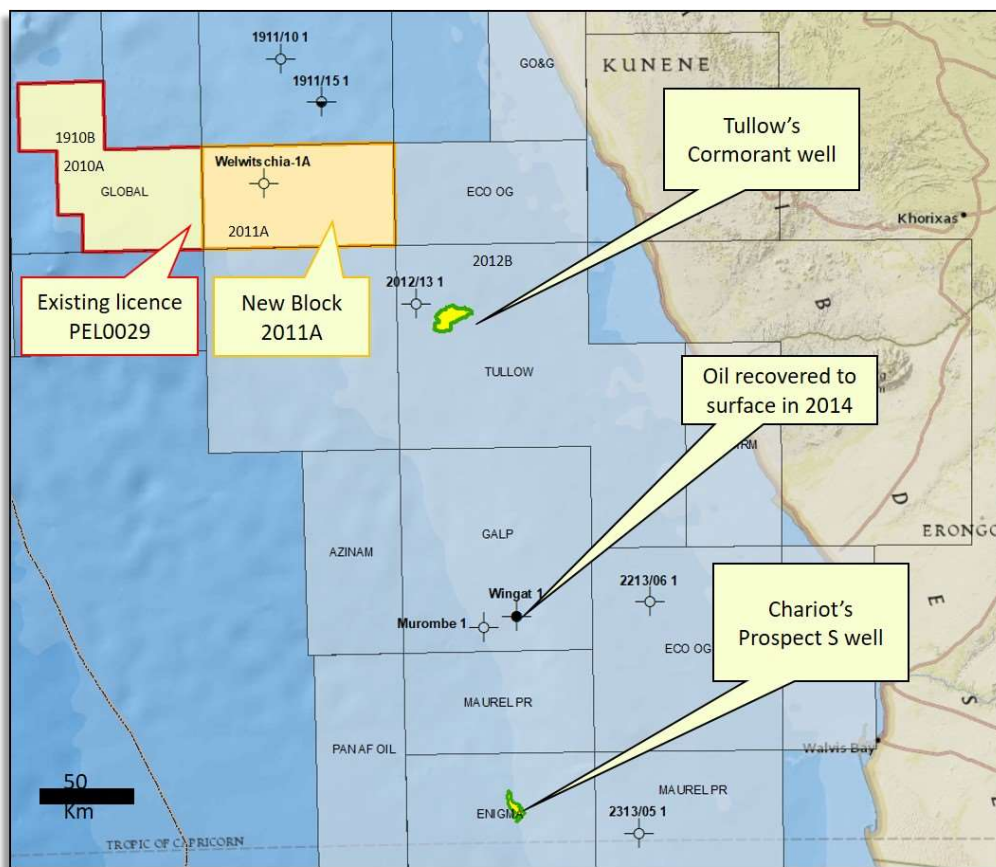


FIGURE 1 - Map of Namibia showing Global Licences.

Permit Applications in the Southern Adriatic, Offshore Italy

In August 2013, the Company submitted an application, 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 Rome Tribunal against the 2016 Decrees, and nine parties filed appeals with the Rome Tribunal against the 2017 Decrees.

Finally, three appeals were filed with the President of the Republic (one appeal against the 2016 Decrees, two against the 2017 Decrees) - it should be noted that in all cases the parties who took this course were out of time for appeal to the Rome Tribunal.

All first instance appeals made to the Rome Tribunal were subsequently adjudicated in Global’s favour. Puglia has appealed to the Council of State in respect of all judgments made against Puglia with the hearing date having been set for January 2020. No other region has yet appealed against the original judgements, noting that the deadline to do so has in several cases elapsed.

In February 2019, the Italian Parliament passed a Bill suspending all hydrocarbon exploration activities – including permit applications – for a period of 18 months. 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 the future. In doing so, the suitability of such activities in the context of social, industrial, urban, water source an environmental factor 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 future exploration and development.

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).

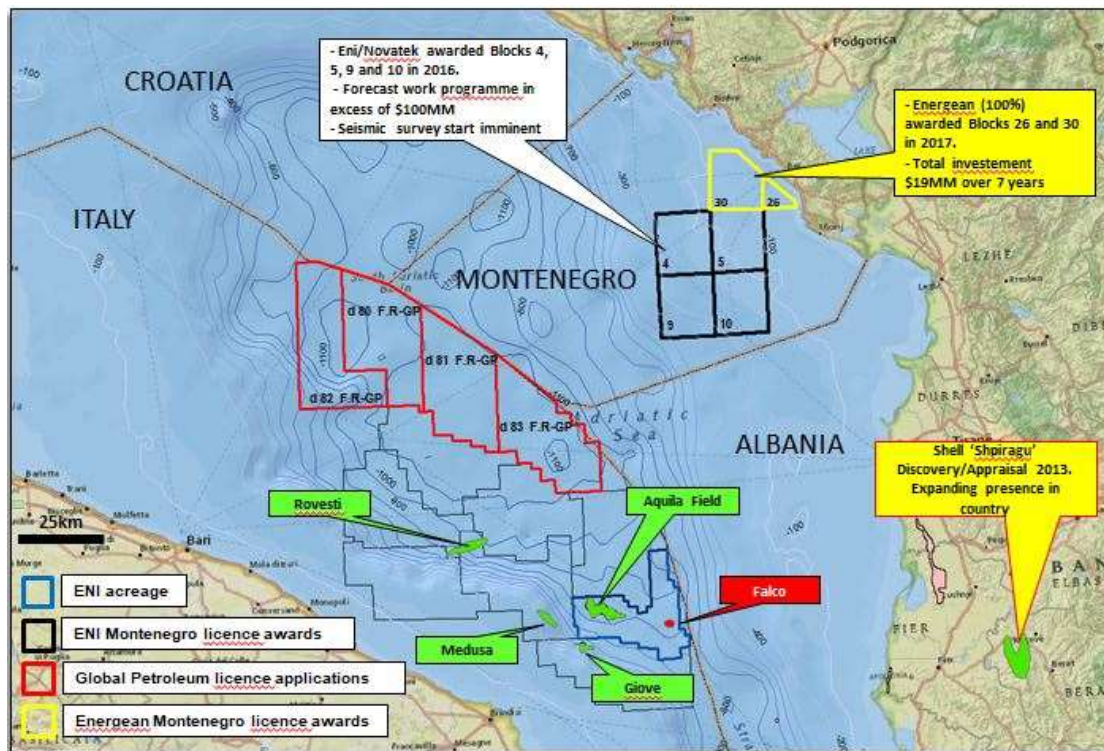


FIGURE 2 - Map of Southern Adriatic showing Italian permit applications.

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, and Petroleum Exploration Licence Number 94 covering the Offshore Block 2011A, in the Republic of Namibia.
- 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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