

20 February 2020



Global Petroleum Limited
("Global" or "the Company")

Update on Appeals Against Environmental Decrees in Italy

Global Petroleum Limited (AIM: GBP, ASX: GBP) has previously announced that the Region of Puglia had appealed to the Council of State - the highest level of appeal in Italy - against the judgements of the Administrative Tribunal in Rome (Rome Tribunal) in relation to the Company's Licence Applications d 80 F.R.-G.P, d 81 F.R.-G.P, d 82 F.R.-G.P and d 83 F.R.-G.P. These judgements related to the four Environmental Decrees (one for each application) issued in favour of Global by the relevant Ministerial Authorities at different times.

The appeals were heard on 23 January 2020 and the Council of State has now published its preliminary judgement. Essentially, the Council of State has suspended the proceedings before it and referred the matter to the European Court, requesting the Court to rule whether the four Licence Applications contravene a relevant EU Directive relating to the maximum permissible size of individual permits, in particular having regard to the fact that the four permit applications are contiguous.

The Company notes that the Puglia appeals against the Environmental Decrees were rejected at first instance by the Rome Tribunal, with costs awarded against the Appellant. The Company believes the further appeal by Puglia to the Council of State to be without merit, and is particularly surprised by the referral to the European Court.

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Background

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 1).

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.

Regarding the appeals to the Council of State by Puglia (above), The Council of State issued four “Ordinanze” or Decrees to initiate preliminary ruling proceedings with the Court of Justice of the European Union (“EU Court”). The Council of State requested the EU Court to interpret Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 “on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons” (“Directive 91/22/EC”).

In December 2019 the town of Margherita di Savoia also appealed to the Council of State against the judgments in relation to applications d82 F.R-GP and d83 F.R-GP. The initial time frame for appeal had expired in early November, however the town was able to take advantage of a provision allowing for a 31day extension. No hearing date has been set for these latest appeals. No other party has appealed against the original judgements, noting that the deadline to do so has in the majority of 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 kilometres 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 1 below).

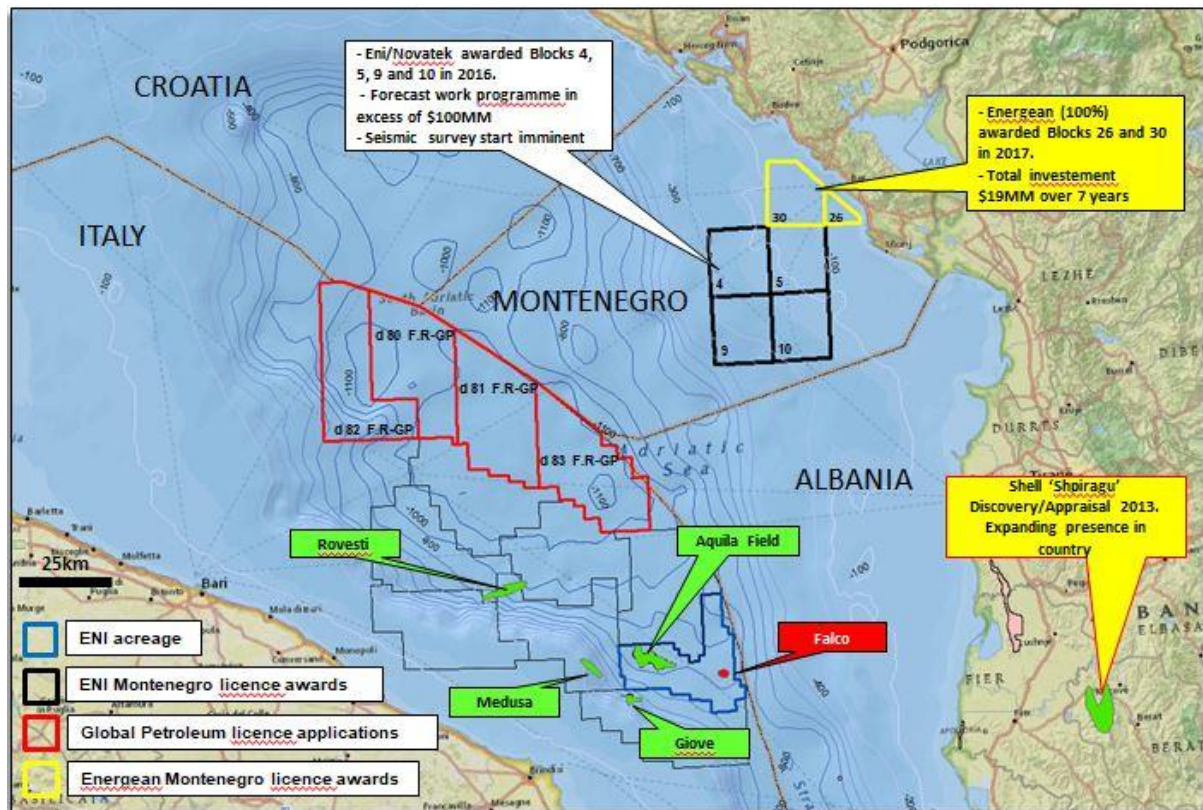


FIGURE 1 - Map showing Global Petroleum Permit Application blocks in Italian Southern Adriatic

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