



**GLOBAL**  
**PETROLEUM**  
LIMITED

# Presentation to Shareholders

## Annual General Meeting

Brisbane, 8 November 2016

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# Global Petroleum - Summary



- AIM and ASX listed
- Well funded in comparison to many smallcap peers - cash ~ US\$ 10 million
- Experienced management team and Board
- Assets offshore Namibia – recent extension of licence with lesser work commitment
- Applications offshore Italy – recent environmental decrees indicate significant progress towards grant of Permits
- Seeking to grow further in line with revised strategy

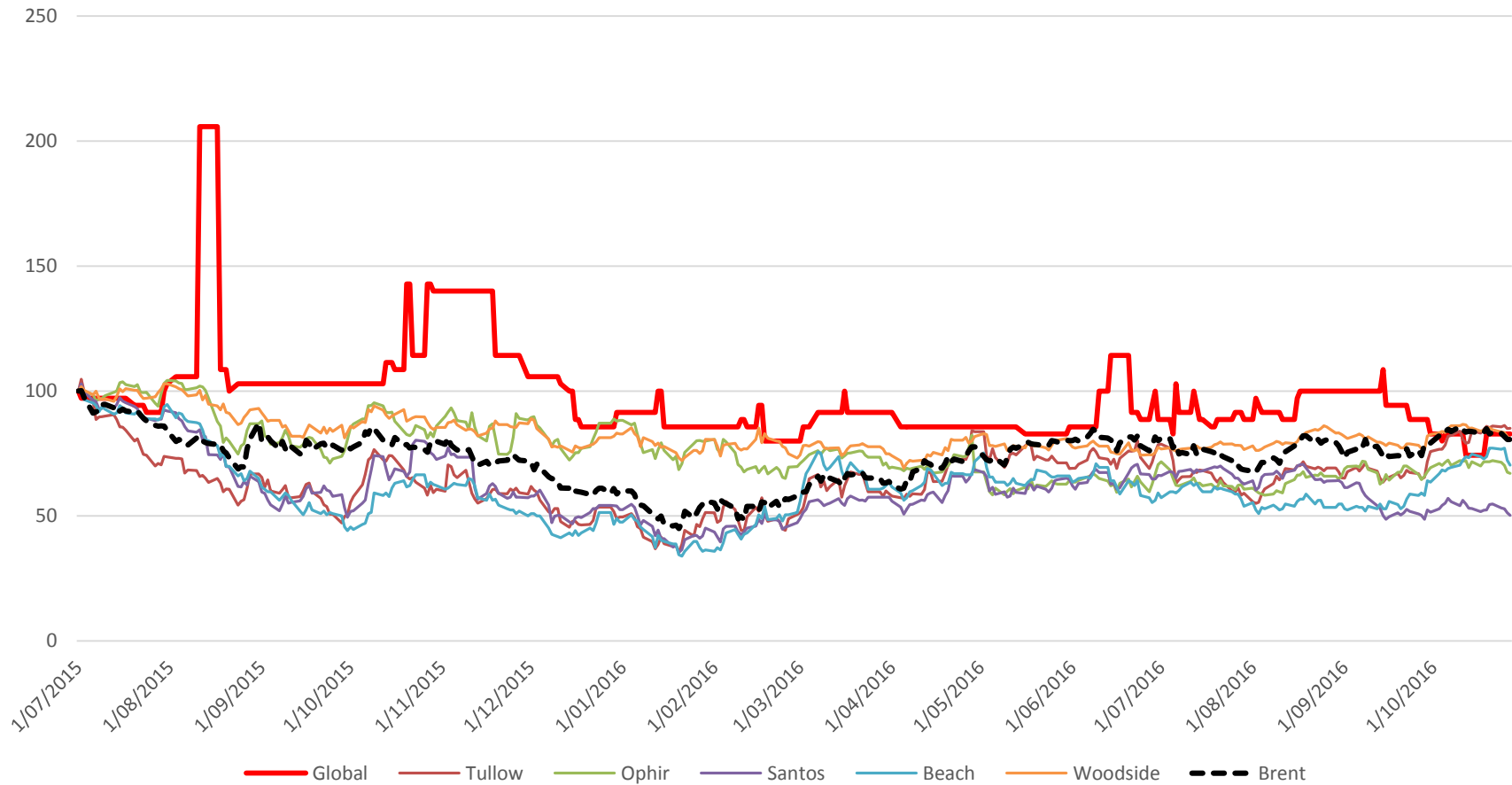


# E&P Market Overview 2016

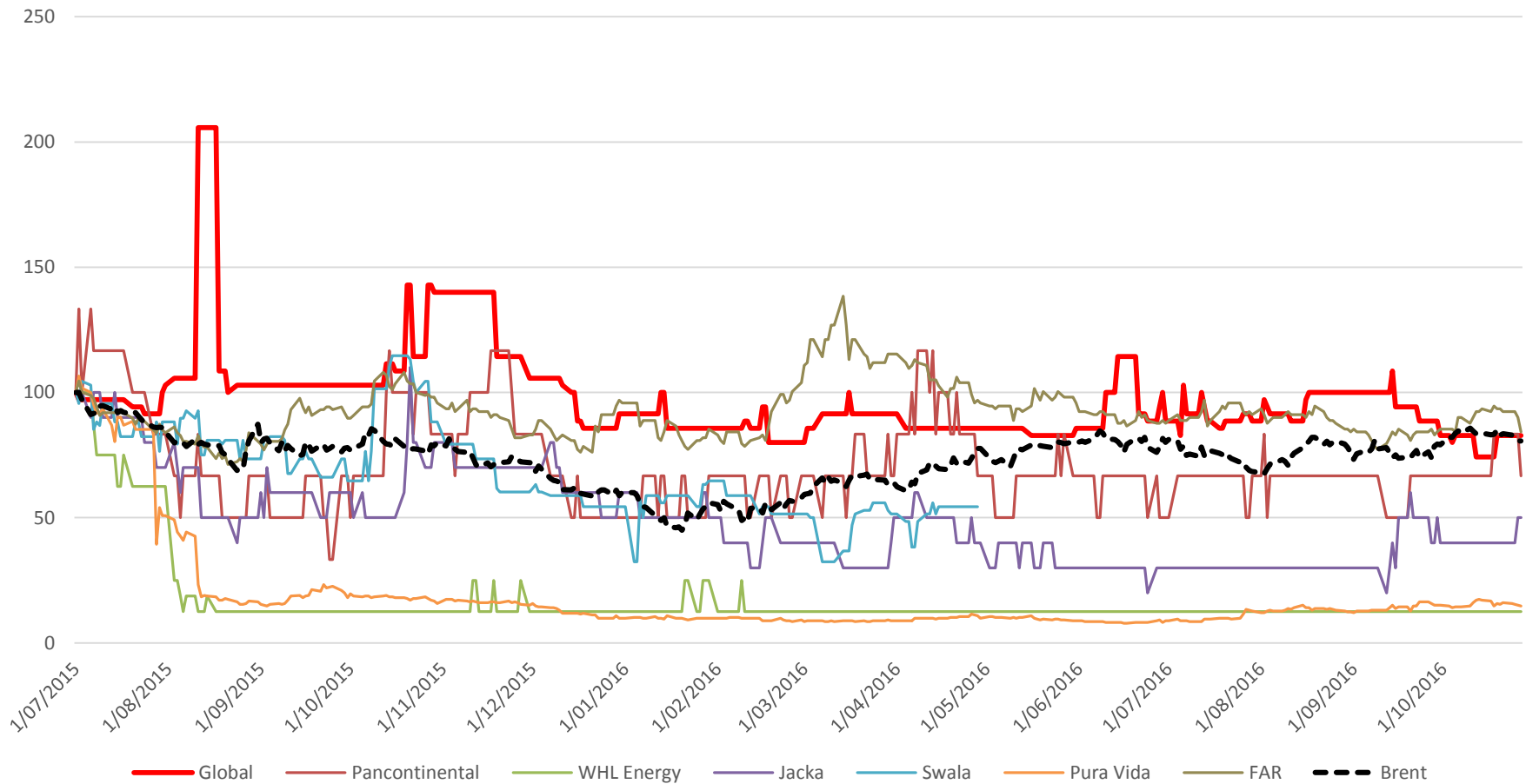
- Oil price fell to 12 year low of US\$27.8 in January, rallied by 72%, currently trading at \$US49. Talk of an OPEC supply cut, followed by meeting September in Algiers, has supported prices. However, disagreement between members has thus far prevented any firm commitment to cuts
  - Industry commentators expect a 'medium for longer' oil price scenario, ie around current levels
- International oil companies continue to cut exploration budgets
  - Worldwide exploration budget forecast to be US\$40bn in 2016, down from \$US100bn in 2015, and likely to remain at the same level through 2018
  - Globally 209 exploration wells drilled to August 2016, down from 680 in 2015 and 1,167 in 2014. Since 1960, average is 1500
- Global market for farmouts very depressed, including in Africa, and where farmouts have been completed the terms have been onerous for junior explorers
- Continued lack of exploration success in frontier basins in Africa and worldwide. Global annual volumes of discovered conventional oil & gas have declined successively since 2010
- Ongoing lack of new capital available for oil companies to fund exploration

Quoted E&P Equity fundraisings (US\$bn)	2014	2015	2016 to date
Global markets	34.45	26.76	38.78
ASX	3.58 (3bn Woodside)	2.10 (1.9bn Santos)	0.62 (0.26bn Woodside)
London	0.52	0.36	0.57

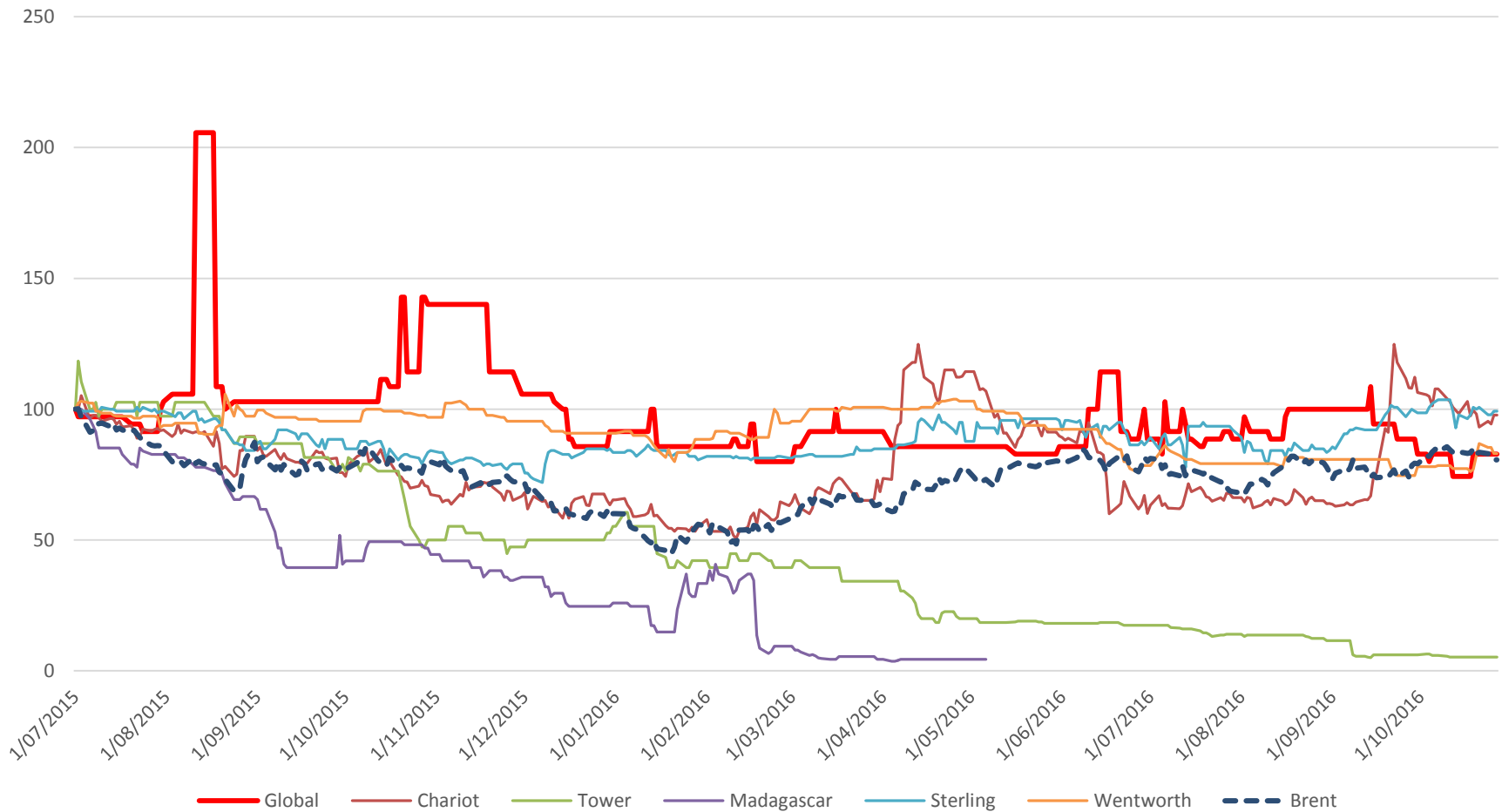
# Independent E&P Peer Comparison



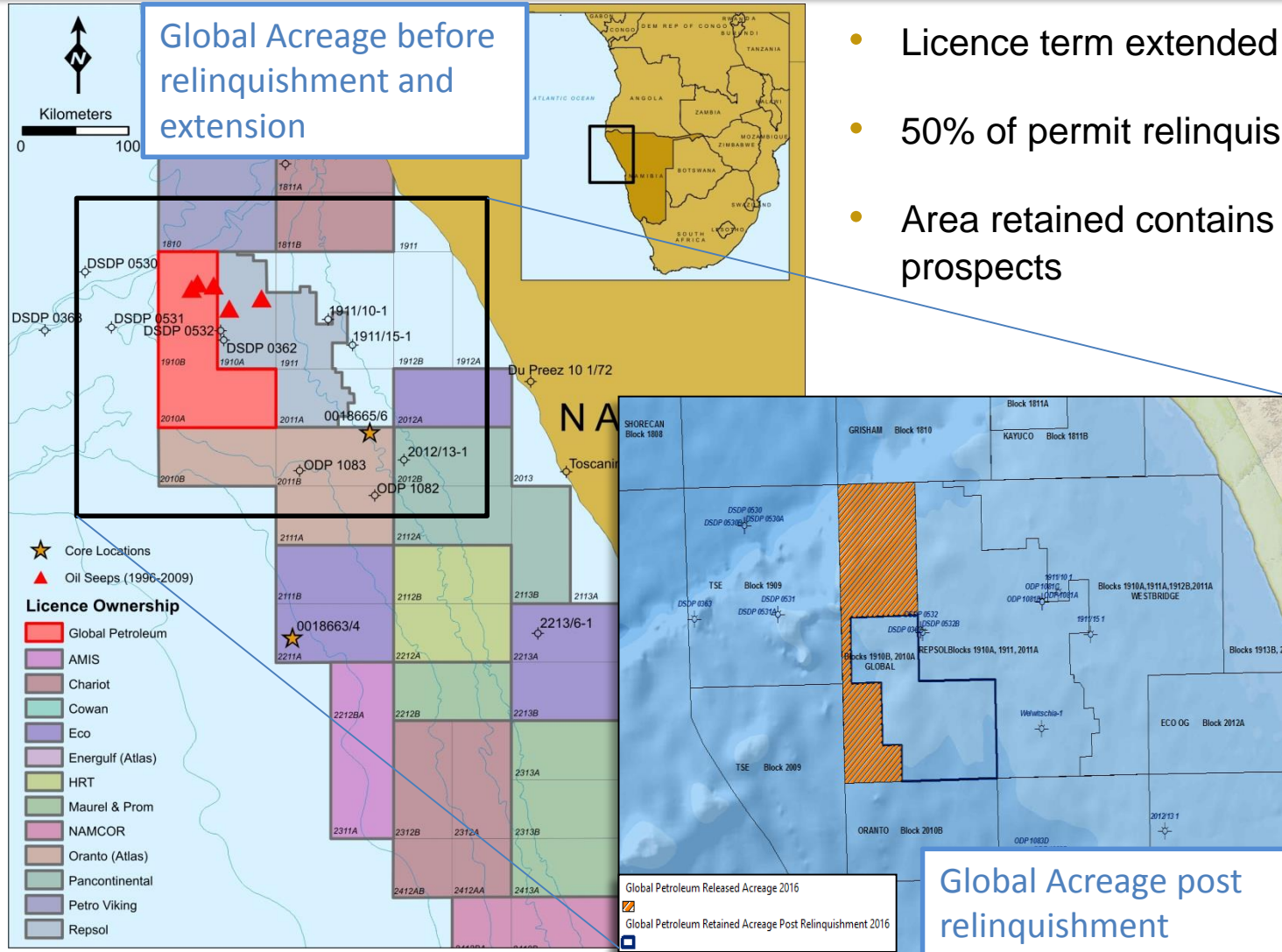
# Australian Listed Junior E&P Peer Comparison



# AIM Listed E&P Peer Comparison



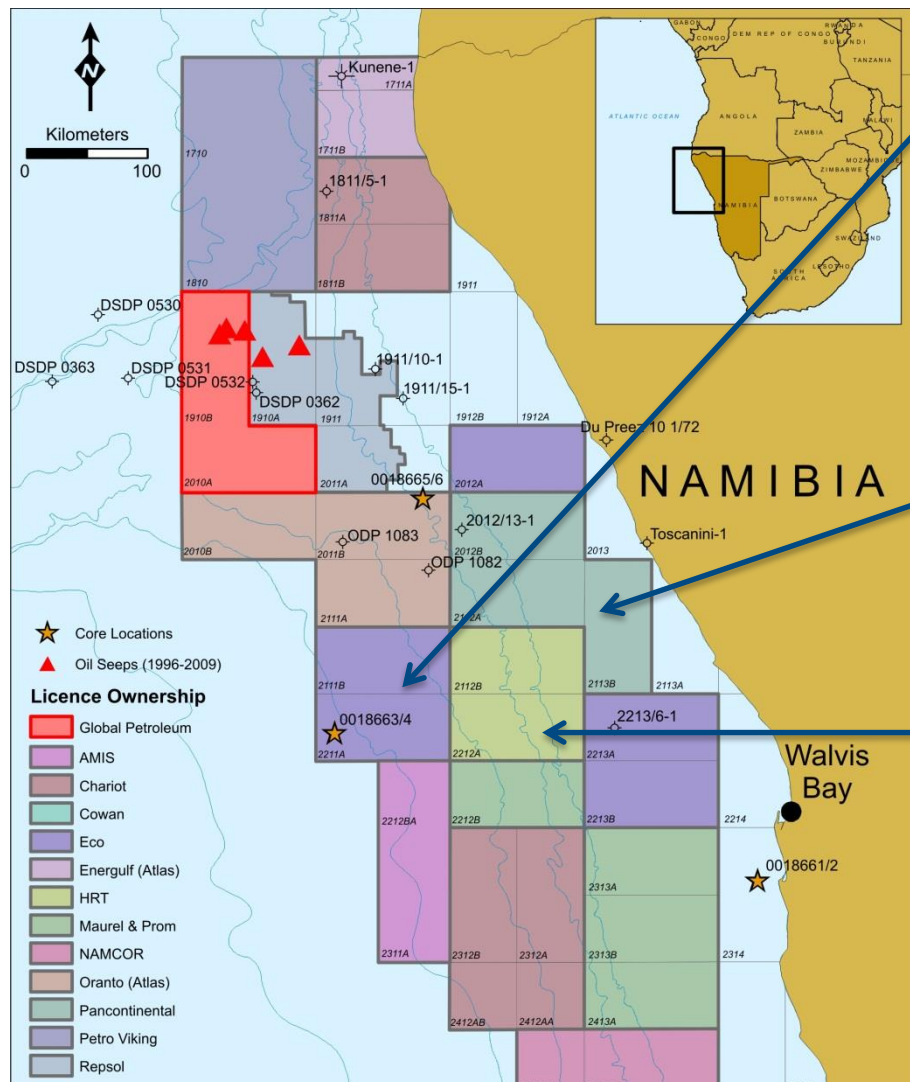
# Namibia



- Licence term extended to end 2017
- 50% of permit relinquished
- Area retained contains the 3 largest prospects



# Namibia – Recent Regional Activity



Eco/ Azinam complete 3D survey over Guy permit

Repsol Welwitschia-1 exploration well P&A dry June 2014. Well did not test the deeper syn-rift sequence \*

Tullow planning well in 2017

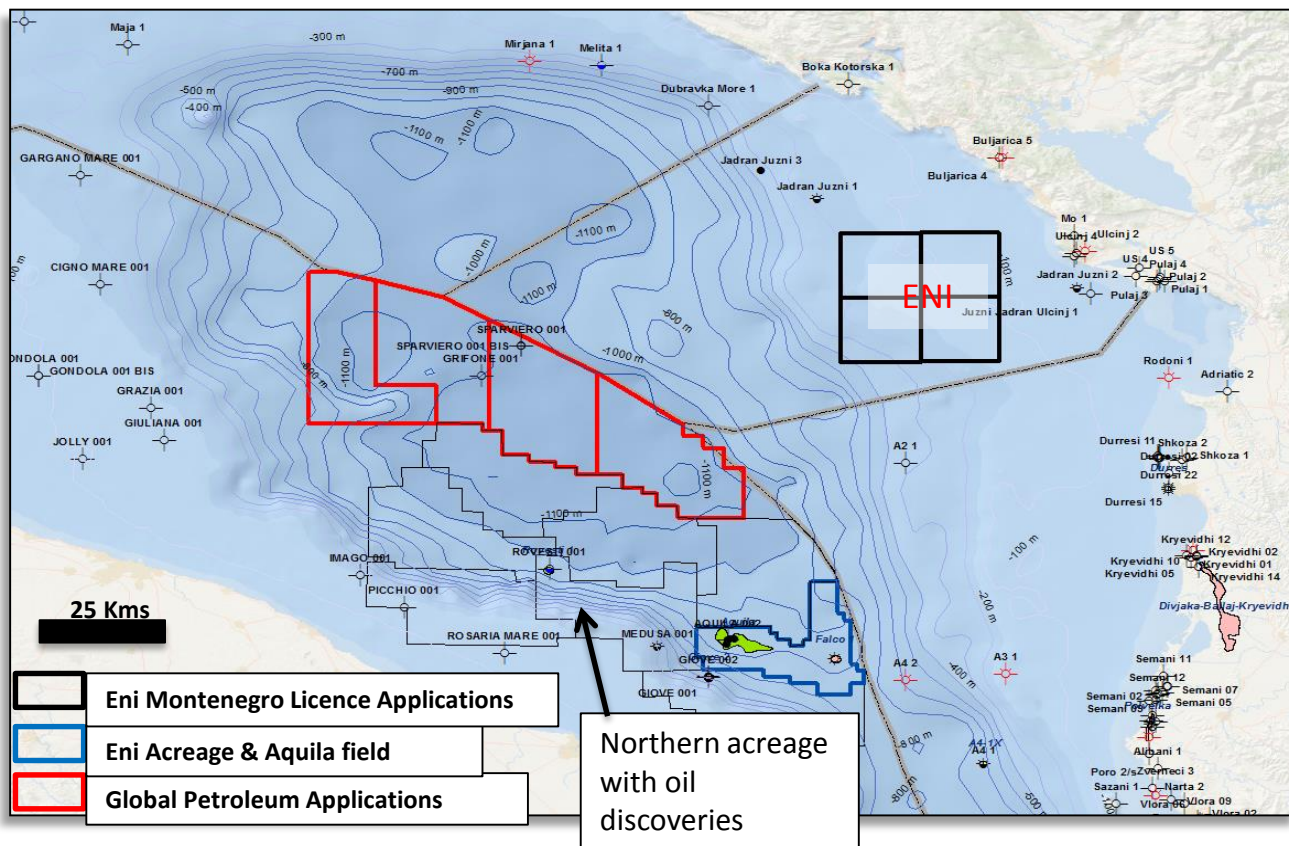
HRT drilled two wells in 2013  
**Wingat and Murombe encountered well developed Aptian source rocks**  
Wingat recovered live oil

\* Wingat well results demonstrate Offshore Namibia potential for viable oil play.



- Blocks 1910B and 2010A, 85% participating interest
- 11,700 sq. km reduced to 5,850 post relinquishment
- Approximately 2000 km of vintage 2D reprocessed in 2016 by TGS. These data have now been interpreted and results confirm likelihood of a deeper play
- 2017 Work Program includes 800 km of new proprietary long offset 2D seismic
- Tendering process for the acquisition of the 2D program is underway
- Focus going forward is to further de-risk the source rock element of the play

# Italy – Southern Adriatic



- Global applications are located close to (35km) the recent ENI awards in Montenegro and immediately north of the Northern Acreage
- Proven oil (Aquila) to the south and the ENI activity in Montenegro suggests that the Global blocks are well positioned
- Likely that both oil and gas plays are present across our blocks. ENIs partner is Novatek Russia's leading independent gas producer



- Environmental decrees granted on 2 of 4 Blocks
- Large underexplored area with multiple play types
- Low cost initial exploration program – first 18 months seismic re-processing and desk studies
- Expectation is that exploration activities in Montenegro and Croatia will pick up over the next couple of years and thus impact Global positively
- Opportunities for farm out should increase as the market improves given rising interest in Adriatic exploration
- Once block are awarded our immediate focus will be to de-risk the play model using reprocessed seismic data

# Global Petroleum - Strategy



- Challenging market conditions
  - Oil prices down by ~ 50%
  - Little exploration success worldwide in frontier basins
  - Exploration farmout success rate low - IOCs have withdrawn almost entirely from frontier exploration and very little access to capital for smallcaps
- Global has refocused its new ventures strategy, targeting:
  - Contingent resources – discoveries with near-term production potential
  - Lower risk exploration in proven hydrocarbon basins
  - Engagement with a significant number of counterparties in 2016
  - Common factors are parties' unfunded commitments/ ability to raise funds post deal.
- Significant prospectivity still in Namibia, Italy once granted looks to be good address
- Selective approach to investment has left Global in a stronger position compared to many peers



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