GLOBAL OIL & GAS LIMITED

Annual Report

for the year ended 30 June 2021

CONTENTS

CORPORATE INFORMATION

ABN 80 112 893 491

Directors

Christopher Zielinski	Chairman	Appointed 10 August 2018
Patric Glovac	Executive Director (appointed 1 August 2020)	Appointed 10 August 2018 as Non-executive director
Troy Hayden	Non-Executive Director	Appointed 11 March 2020
Richard Barker	Non-Executive Director	Appointed 6 November 2020

Company secretary

Mrs Anna MacKintosh

Registered and Principal Office

22 Townshend Road
Subiaco WA 6008

Telephone: 08 9388 0051
Website: www.globaloilandgas.com.au

Share register

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009
Telephone: 08 9389 8033

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Bankers

NAB
100 St. Georges Terrace
Perth WA 6000

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Securities Exchange Listing

Global Oil and Gas Limited shares are listed on the Australian Securities Exchange (ASX: GLV)

DIRECTOR'S REPORT

Your directors present their report together with the financial statements of the Group consisting of Global Oil and Gas Limited ("the Company") and the entities it controlled during the year for the financial year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

Directors

The names of directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Chris Zielinski (Non-Executive Chairman appointed 10 August 2018) Bachelor of Laws and Bachelor of Commerce (Finance)

Experience and expertise	Mr Zielinski is a corporate lawyer and Director of Nova Legal (Perth based corporate law form). Mr Zielinski graduated from the University of Note Dame in 2006 with a Bachelor of Laws and Bachelor of Commerce (Finance). Mr Zielinski primarily works in mergers and acquisitions, equity capital markets, regulatory compliance and commercial transactions with particular experience in the resources and technology sectors. Mr Zielinski was appointed to the board on 10 August 2018
Other current directorships	None
Former listed directorships in last 3 years	Non-executive Director Caeneus Mineral Ltd (ASX:CAD)

Mr Patric Glovac B.Com (Executive Director appointed 1 August 2020, previously Non-executive director) Bachelor of Commerce, Diploma of Management

Experience and expertise	In 2013 Mr Glovac co-founded GTT Ventures Pty Ltd (GTT), a boutique corporate advisory firm, specialising in the resource and technology sector. GTT has funded numerous listed and private companies since its inception across multiple markets including Australia, USA and the United Kingdom. Previously he worked as an investment advisor for Bell Potter Securities Limited since 2003, focusing on high net-worth clients and corporate advisory services. Mr Glovac was appointed to the board on 10 August 2018.
Other current directorships	None
Former listed directorships in last 3 years	Non-executive Director Stemify (ASX.SF1 previously ASX.RBO) resigned 28/8/2018 Non-executive Director Hyperion Metals Ltd (ASX.HYM) resigned (previously TAO Commodities Ltd ASX.TAO) 1 March 2021 Non-executive Director Prominence Energy Ltd (ASX:PRM) resigned 16 July 2021

Mr Troy Hayden (Non-Executive Director) appointed 11 March 2020

Experience and expertise	Mr Hayden has more than 25 years' experience in the upstream oil and gas industry. He has worked on numerous oil and gas asset acquisitions, divestments and M&A transactions. He is currently the Business Development Manager at Transborder Energy, a small scale Floating LNG company. He was the CEO/Managing Director at previously ASX listed Tap Oil for 6 years and worked at Woodside Petroleum for 12 years, where he held a number of positions, including Treasurer, Acting CFO, Vice President of the USA Business Unit and Vice President of the Pluto Business Unit. He has consulted to a number of resource companies, working with First Quantum Minerals (Acting CFO), QR National (Group Treasurer), and Western Gas.
Other current directorships	Prominence Energy Limited (ASX.PRM)
Former listed directorships in last 3 years	None

DIRECTOR'S REPORT cont.

Mr Richard Barker (Non-Executive Director) appointed 6 November 2020

Experience and expertise	Mr Barker, a co-founder of the Goshawk Group, has held executive roles at listed and unlisted oil and gas and resource companies over the last ten years. Prior to this Richard, who holds a Master of Laws, worked at Australian law firms Clayton Utz and Jackson McDonald. Richard has extensive corporate governance, project management, Native Title and operations experience.
Other current directorships	Richard is currently a non-executive Director and Company Secretary of the AIM listed Scotgold Resources Ltd (AIM: SGZ).
Former listed directorships in last 3 years	None

Company Secretary

Anna MacKintosh B.Com (UWA) CPA

Anna MacKintosh has over 30 years' commercial experience including 11 years with BHP, 10 years with AFSL holder Kirke Securities Ltd as Compliance Manager, Finance Manager and Responsible Executive. Since then Ms MacKintosh has been the Company Secretary/CFO for listed entity Kalia Limited (formerly GB Energy Ltd) (ASX: KLH), Financial Controller for Force Commodities (ASX: 4CE) and previously XTV Networks Ltd (ASX: XTV) and Applabs Technologies Ltd (ASX: ALA). She is also currently Company Secretary of Prominence Energy Ltd (ASX:PRM) and Marquee Resources Ltd (ASX:MQR).

DIRECTORS' REPORT cont.

Interests in the shares and options of the Company and related bodies corporate
The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares	Performance Rights
Mr Chris Zielinski	3,333,333	Nil	6,666,666
Mr Patric Glovac	6,111,112	231,481	6,666,666
Mr Troy Hayden	3,333,334	Nil	6,666,668
Mr Richard Barker	Nil	Nil	Nil

There are no unpaid amounts on the shares issued.

Dividends
No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activities of the Group during the financial year were operating in the gas exploration sector in Australia.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

Operating Results and Review of Operations for the Year

Operating Results
The loss of the Group for the financial year after providing for income tax amounted to:

	Year ended 30 June 2021 $	Year ended 30 June 2020 $
	(1,892,290)	(470,295)

Review of operations

Corporate
The Company's Annual General Meeting was held on 30 November 2020 and all resolutions were passed by a show of hands.
During the 2021 financial year, the following capital raising activities occurred:

1. Placement of 142,857,143 shares (at $0.007 per share to raise $1 million before costs), with tranche 1 utilising the Company's placement and tranche 2 approved by shareholders.

2. Rights Issue of 99,970,136 shares at $0.007 to raise $669,791 before costs.

3. Issue of 128,571,429 shares to acquire a 20% interest Goshawk Energy as approved by shareholders.

4. Placement of 100 million shares at $0.011 per share to raise $1.1 million before costs.

EP127 Exploration Program 2021

The Company holds a 100% interest in Exploration Permit 127 in the Northern Territory.

GLV appointed South African remote sensing specialists Dirt Exploration, led by Dr Neil Pendock, to undertake a multi-spectrum remote spectroscopy study utilising visible, near-infrared and shortwave-infrared (VNIR–SWIR) spectroscopy over the licence area to identify regions of elevated Helium concentrations over the EP 127 licence area. Remote spectroscopy methods and studies have previously been implemented to successfully identify both gas and mineral deposits in the US,

DIRECTORS' REPORT cont.

South America, Africa and Australia. Utilising satellite imagery sourced from Sentinal 2A and 2B, the remote spectroscopy study will be used to both locate regions of elevated Helium and Hydrogen as well as assist in the identification of focal areas for survey locations for in-field gas sampling and chromatographic analysis.

GLV received the multispectral remote spectroscopy study from remote sensing specialists Dirt Exploration as announced on 24 June 2021. The study provides heat map data for Helium, Hydrogen, and Methane indicators across the licence area. Mt Kitty, a proximate known Helium source, was used to calibrate the spectroscopy data. The survey results display a correlation between the indicators and known subsurface faults. Faults are common migration pathways for gasses from underlying traps to the surface.

Figure 1 shows the helium and hydrogen reflectance data with distinct areas of high reflectance (identified in blue). A number of target locations have been identified and will be tested in the field using portable helium gas detection on both soil gas samples, and gas present above faults.

The results of the remote multispectral spectroscopy study will be combined with the in-field geochemistry sampling survey, in addition to existing 2D seismic data and surface geology to high grade target areas for a seismic acquisition program planned to be undertaken in late 2022.

A field team was planned to be mobilised and commence the on-ground study on 4 July 2021, however due to recent COVID lockdowns across the country, and with subsequent quarantine requirements for travellers, the in-field geochemical survey will commence when COVID travel restrictions are relaxed. The team is using this period to procure, calibrate and test the field equipment.

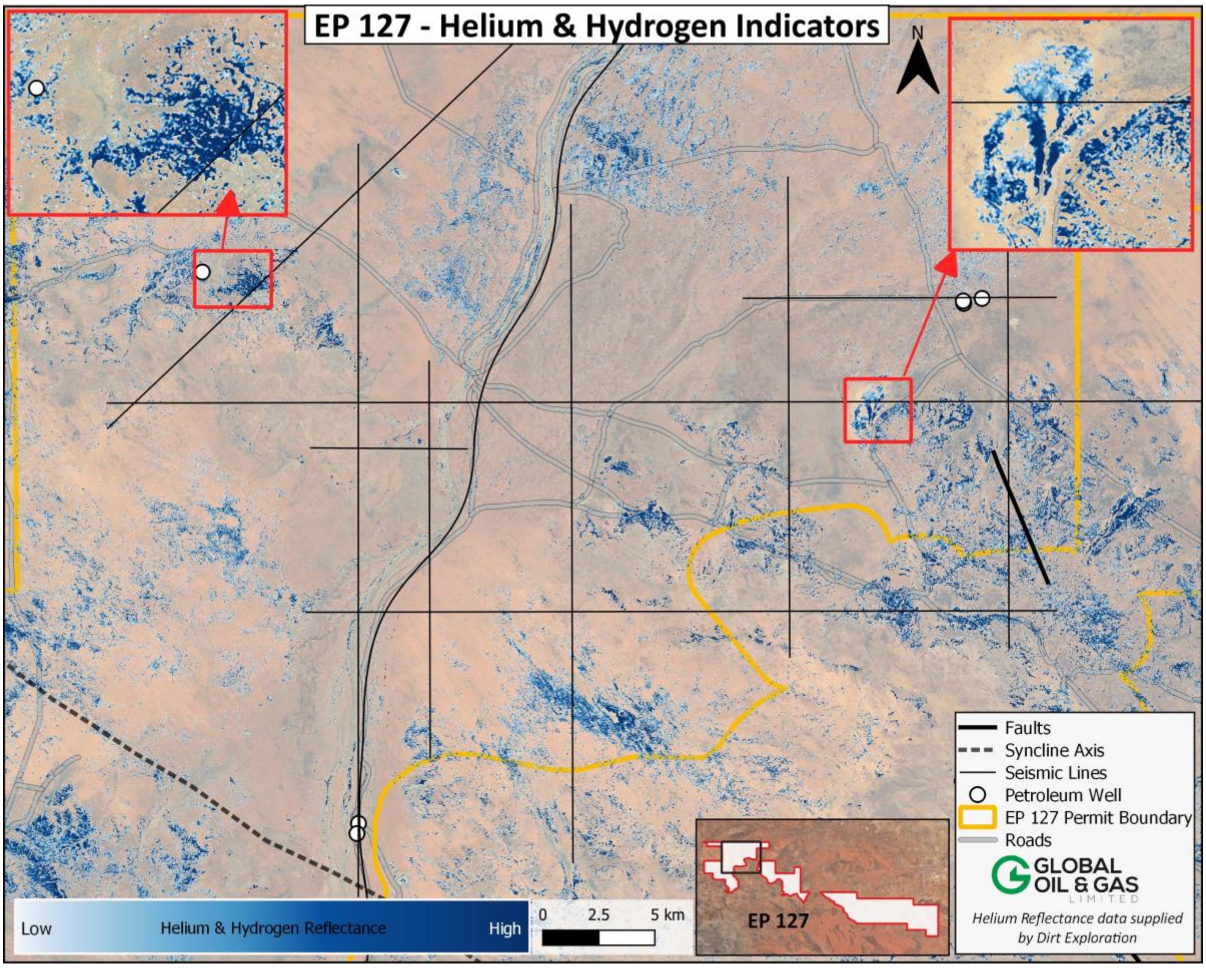

Figure 1 Helium and hydrogen reflectance dat

DIRECTORS' REPORT cont.

Goshawk Energy

During the the June 2021 quarter Goshawk has continued to undertake geological and geo-physical studies across its acreage position, in addition to continued Native Title negotiations and preparations for regulatory approval of its EP 499 seismic program. The highlights of the geological activities are set out below.

EP 499

- The Year 1 2D Seismic data reprocessing work commitment has been completed. The reprocessing included 2,581 kms of 2D seismic lines within the licence area, and an additional 822 kms outside of the licence area to provide tie lines to existing wells. These tie lines enable calibration of the reprocessed data to the known geology of near by wells.
- Goshawk has continued negotiations with the relevant native title party to undertake on-ground activity as well as progressing regulatory approvals to enable the program to be undertaken in the Year 2 commitment year.

EPA 162

- A significant portion of the 822 kms of data processed outside of EP 499 lies within EPA 162 which has assisted with the studies over this licence.
- Seismic reinterpretation has further confirmed existing leads.
- Several large follow up sub-salt leads have been identified for follow up following testing of the Helvetica sub-salt prospect within EP 499.

EPA 163

- Undertook interpretation of existing seismic data which outlined several anticline leads.
- 2D seismic reprocessing and 2D seismic acquisition will enable leads in this area to be high-graded.

EPA 166

- An Ungani Dolomite lead directly updip from the Ungani oil field has been identified through seismic interpretation of this permit.

EPA 167

- Seismic database has been re-built to incorporate all available data.
- Completion of offset well and dry hole analysis.

Canning Basin Helium and Hydrogen Potential

Utilising methods being applied to EP127, Goshawk has also commenced analysis of the potential for naturally occurring Helium and Hyrdogen across its Canning Basin acreage.

Similarly to EP127, the Canning Basin has all three required factors for the potential trapping of these high value gasses, including elevated radioactivity levels in the basement, salt seals and adequate reservoir rocks.

Cervantes Corporation Loan

On 7th June 2019, the Company gave written notice to Cervantes Corporation Limited (ASX.CVS), in accordance with the terms of the loan agreement ("CVS Loan Agreement") between the Company and CVS, that all amounts payable under the Loan Agreement must be repaid, either on or before 8 June 2021, or, on or before 8 June 2020.

In April 2021, the Company entered into a Deed of Assignment ("DOA") with Bath Resources Pty Ltd ("Bath") and Cervantes Corporation Limited (ASX: CVS) in relation to the CVS loan agreement dated 23 July 2012 and as amended by a letter agreement dated 2 August 2018.

Under the DOA, GLV agreed to assign its interest in the CVS Loan Agreement to Bath in consideration for the payment of $450,000 on the following basis::

- An upfront $35,000 non-refundable deposit.

- A further deferred payment of $415,000. which was paid on the 4th June 2021

This DOA has now been settled and the loan has a nil balance. See Note 7 for further details.

DIRECTORS' REPORT cont.

Significant changes in the state of affairs

Other than the 20% interest acquisition of Goshawk Energy Corporation Pty Ltd, there was no significant changes to the state of affairs of the Company.

Significant events after reporting date

COVID -19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

EP127 Helium & Hydrogen Program

The EP127 Helium and Hydrogen geochemical survey field team was planned to be mobilised and commence the on-ground studies during July 2021, however, due to continued COVID lockdowns across a number of states in Australia and with subsequent quarantine requirements for incoming travellers, the in-field geochemical survey has been further delayed, with a rescheduled date for Q4 2021, subject to any further COVID travel restrictions.

Acquisition of 25% interest in Sasanof Prospect

The Company announced on 7 September 2021 that it had entered into a binding Heads of Agreement (**"HOA"**) with Western Gas (519P) Pty Ltd ("Western Gas") to acquire a 25% interest in its Sasanof Prospect.. The proposed Sasanof-1 exploration well is in exploration permit WA-519-P in Commonwealth water, approximately 207 km northwest of Onslow, Western Australia, and is scheduled to commence drilling in Q1 2022.

The HOA will see GLV fund 50% of the cost of drilling the Sasanof-1 exploration well through a 25% acquisition of the fully paid ordinary shares in Western Gas, the licence holder for WA-519-P as well as a 25% economic interest in portions of the Sasanof Prospect in adjoining Western Gas explorations permits.

Key terms of the binding agreement are:

1. Western Gas and GLV have entered into the HOA for GLV to acquire a 25% interest in Western Gas' Sasanof Prospect through acquiring 25% of Western Gas (519 P) Pty Ltd ("**WG519**"), free from Encumbrances, in accordance with the terms below ("**Transaction**").

2. GLV will subscribe for the 25% interest in WG519 through paying $7,000,000 to WG519 ("**Completion Funds**"), plus the net proceeds from the sale of the 187,500,000 GLV shares ("**Finance Facility**"), to fund 50% of the drilling of the Sasanof Well in accordance with an agreed Budget.

3. At Completion of the Transaction, GLV will issue the following securities to Western Gas Convertible Note Holders in consideration for the cancellation of the $2 million of convertible notes previously issued by Western Gas for the purpose of the Sasanof Prospect pre-drilling funding:

   i. 125,000,000 GLV Shares at a deemed issue price equal to $0.016 per GLV Share ("**Consideration Shares**"); and

   ii. 20,000,000 listed GLV Options exercisable at $0.02 each on or before 15 December 2022 ("**Consideration Option**");

4. In addition, at Completion of the Transaction (and subject to GLV obtaining the necessary shareholder approval), GLV will issue to Western Gas (and/or its nominees) 187,500,000 performance rights, which each convert into GLV Shares (on a one for one basis) subject to the commencement and spudding of an exploration well on the Sasanof Prospect ("**Performance Rights**").

5. Finance Facility: GLV will issue 187,500,000 ordinary shares as a Finance Facility. The GLV shares will be issued to a unrelated broker (who is an AFSL holder) who will sell the shares on GLV's behalf either on-market or off-market (to parties who are not related parties of GLV or Western Gas) for the best price possible before 31 December 2021. The shares under the Finance Facility will be sold on the instructions of GLV – to parties and at a price which GLV approves on a case by case basis. All the net proceeds from the Finance Facility will go to WG519 to finance the well and be cost recoverable by GLV from WG519 (ahead of any joint venture distributions) future revenues or disposal.

DIRECTORS' REPORT cont.

6. Completion will be subjected to the following conditions precedent being satisfied (or waived):

   a. (Due Diligence) GLV being satisfied with the findings of the ECRE independent technical report commissioned by GLV in respect of the Sasanof Prospect on or before 15 September 2021;

   b. (Formal Agreements) negotiation, agreement and execution of the Formal Agreements which shall be consistent with, but may be more expansive and precise than, the HOA, noting that the WG519 Shareholders Agreement, must be negotiated and entered into as part of the Formal Agreements;

   c. (Approvals) the Parties obtaining all necessary government, regulatory, shareholder and third-party approvals, in respect of the Project and the Transaction. GLV confirms that it will be seeking shareholder approval pursuant to ASX Listing Rule 10.1 in respect of the Transaction, and the notice of meeting will include an independent expert report;

   d. (Capital Raising) GLV undertaking (to its satisfaction and subject to all necessary shareholder and regulatory approvals) a strategic placement to raise up to $11,000,000 ("**Capital Raising**");

   e. (Budget) GLV and Western Gas must jointly develop an agreed budget, which allocates the distribution of the Completion Funds (post Completion) ("**Budget**"). WG519 must strictly apply the Completion Funds in accordance with the Budget which will include pre-drill activities to enable the Sasanof Prospect to be "drill ready" including acquisition of long-lead items, securing a rig slot and finalisation and submission of environmental and regulatory documentation;

   f. (Escrow Deed) execution by Western Gas (and/or its nominees) of such form of restriction agreement with respect to the Performance Rights as may be required by ASX;

   (together, the **Conditions**).

   If the Conditions are not satisfied (or waived in writing) within 90 days of the execution of the HOA or with respect to Condition (a) by the date for satisfaction of that Condition (or such later date(s) as agreed by the parties), the HOA may be terminated by either Party.

7. Capital Raising: The Company has received firm commitments for 687,500,000 fully paid ordinary shares at an issue price of $0.016 each to qualified sophisticated and professional investors, raising up to $11.0 million (before costs) ("**Placement**").

   Tranche 1 of the Placement utilised the Company's existing placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A to issue 187,500,000 ordinary shares which were issued on 17 September 2021. Tranche 2 of the Placement, being 500,000,000 shares, will be issued subject to GLV obtaining all necessary shareholder approvals at a general meeting to take place in the coming months, and subject to completion of the Transaction.

   The Company intends to use the Placement funds to cover the Sasanof earn-in costs (including the Completion Funds), with the remaining funds to be used to further advancing the EP127 prospect, and general working capital.

   The Company is pleased to confirm that subject to the Company obtaining the necessary shareholder approvals at the upcoming shareholder meeting (date yet to be announced), the Company's Directors intend to participate in the Placement on the following basis: Mr Patric Glovac (up to $100,000), Mr Troy Hayden (up to $100,000) and Mr Chris Zielinski ($25,000).

   The Placements are being managed by Barclay Wells Pty Ltd ("**Barclays**") who are entitled to a 6% capital raising fee on all monies raised under the Placement, along with a fixed $50,000 Lead Manager Fee.

   For capital raising services provided by Barclays (and/or its nominees) as lead manager of the Placement, on successful completion of the Transaction, Barclays (and/or its nominees) will be issued a total of 25,000,000 fully paid ordinary shares and 50,000,000 GLVO options (exercisable at $0.02 each, expiring 15 December 2022), subject to the Company obtaining all necessary shareholder and regulatory approvals.

   For services provided as facilitator to the transaction GTT Ventures Pty Ltd (and/or its nominees) ("**GTT**") will be issued a 25,000,000 fully paid ordinary shares, subject to the Company obtaining all necessary shareholder and regulatory approvals.

   The Company notes that GLV Director Patric Glovac is also a director and shareholder of GTT.

Likely developments and expected results

The company continues to review a number of potential oil and gas projects.

DIRECTORS' REPORT cont.

Environmental regulation

In the course of its normal exploration activities, the Group adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements during the financial year. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Group.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

Remuneration report (Audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("**KMP")** of Global Oil and Gas Limited for the financial year ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

Key Management Personnel

<u>Directors</u>

Mr Chris Zielinski	Non-Executive Chairman appointed 10 August 2018
Mr Patric Glovac	Executive Director appointed 1 August 2020 (previously Non-Executive Director appointed 10 August 2018)
Mr Troy Hayden	Non-executive Director appointed 11 March 2020
Mr Richard Barker	Non-executive Director appointed 6 November 2020

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The Board has the authority and responsibility for planning, directing and controlling the activities of the company and the Group, including directors of the company and of the senior management. Compensation levels for directors and senior management of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives.

Remuneration levels are not dependent upon any performance criteria as the Company and the Group are not generating a profit.

Remuneration committee

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

DIRECTORS' REPORT cont.

Remuneration report continued

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors for the year ended 30 June 2021 is detailed in page 13 of this report.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

DIRECTORS' REPORT

Remuneration report continued

The Committee has access to external, independent advice where necessary. No consultants were engaged during the reporting year.

Employment Contracts

Chris Zielinski – Non Executive Chairman appointed 10 August 2018

The key terms of Mr Zielinski's contract are:

- Chairman Fees of $60,000 per annum plus statutory superannuation.
- No termination benefits

Patric Glovac – Executive Director (Appointed 1 August 2020, previously Non-Executive Director until 31 July 2020)

The key employment terms of Mr. Glovac's contract are:

- Director fee of $120,000 per annum plus statutory superannuation (previously $60,000 per annum as Non-Executive Director)
- No termination benefits

Troy Hayden – Non-Executive Director appointed 11 March 2020

The key employment terms of Mr Hayden's contract are:

- Director's fee of $36,000 per annum plus statutory superannuation
- No termination benefits

Richard Barker – Non-Executive Director appointed 6 November 2020

The key employment terms of Mr Barker's contract were:

- Director's fee of $36,000 per annum plus statutory superannuation
- No termination benefits

Commencing 1 September 2021, new rates apply to directors as follows: C Zielinski $82,000 per annum, P Glovac, $150,000 per annum, and T Hayden $60,000 per annum

Remuneration of Key Management Personnel

Key Management Personnel remuneration for the year ended 30 June 2021 and 30 June 2020

		Short Term Benefit		Post Employment Benefit	Equity		
		Salary & fees	Other (iii)	Superannuation	Share based payments	Total	Remuneration consisting of Performance
		$		$	$	$	%
Directors							
C Zielinski	2021	60,000	-	5,700	64,992	130,692	50%
	2020	60,000	-	5,700	13,382	79,082	17%
P Glovac (i)	2021	115,000	-	10,925	64,992	190,917	34%
	2020	60,000	-	5,700	13,382	79,082	17%
T Hayden	2021	48,000	-	4,560	52,534	105,094	50%
	2020	20,000	-	1,900	3,377	25,277	13%
R Barker (ii)	2021	23,500	-	2,233	-	25,733	-
AMacKintosh (v)	2021	-	-	-	-	-	-
	2020	5,000	-	-	-	5,000	-
J Brewer (iv)	2021	-	-	-	-	-	-
	2020	45,000	-	4,275	-	49,275	-
Total	2021	246,500	-	23,418	182,518	452,436	40%
	2020	190,000	-	17,575	30,141	237,716	13%

DIRECTORS' REPORT

Remuneration report continued

(i) Appointed Executive Director (previously Non-Executive Director) effective 1 August 2020.
(ii) Appointed 6 November 2020 .
(iii) Appointed interim Director 11 February 2020 and resigned 11 March 2020
(iv) Resigned 11 February 2020

No member of key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

Bonuses
No bonuses were granted during the year.

Performance Rights

Performance Rights (termed 'series 1') were granted to Directors on the 21 November 2019 (approved at the Company's Annual General Meeting 'AGM'). These performance rights had market based conditions attached, being various Volume Weighted Average Price ('VWAP') hurdles.

Subsequent to grant date, these performance rights were voluntarily cancelled by Directors on 9 April 2020 and replaced with alternative performance rights (termed 'series 2'). The cancellation was as a result of the Sale of EP 127 not proceeding, the Company restructure and refocus, as well as the consolidation of its' issued capital.

The alternative performance rights were formalised and granted following shareholder approval at the Company's General Meeting on 22 May 2020. These performance rights had market based conditions attached, being various Volume Weighted Average Price ('VWAP') hurdles. The total fair value of the performance rights are expensed over a three year vesting period.

Series 1 Performance Rights

Terms	Class A	Class B	Class C
Number	2,500,000	2,500,000	2,500,000
Valuation Date	9 April 2020	9 April 2020	9 April 2020
Exercise price	$0.00001	$0.00001	$0.00001
Expiry date	9 April 2023	9 April 2023	9 April 2023
Barrier Price	$0.072	$0.108	$0.180
Fair value	$0.0051	$0.0040	$0.0028

The total fair value of series 1 as at the date of modification was $29,750
Series 2 Performance Rights

Terms	Class A	Class B	Class C
Number	10,000,000	10,000,000	10,000,000
Valuation Date	22 May 2020	22 May 2020	22 May 2020
Exercise price	$0.00001	$0.00001	$0.00001
Expiry period	3 years	3 years	3 years
Vesting hurdle (20 day VWAP)	$0.024	$0.036	$0.048
Fair value	$0.0102	$0.0090	$0.0081

DIRECTORS' REPORT

Remuneration report continued

The total fair value of series 2 was $273,000. Refer to Note 13 for details and assumptions in the valuation of these performance rights.

Class A Performance shares vested and converted into 10 million ordinary shares on 19 February 2021. The Share based payment in expense in relation to this conversion was $113,858.

No new performance rights were granted during the year.

Refer to Note 13 for details and assumptions in the valuation of these performance rights.

Performance Rights holdings of Directors

30 June 2021	Balance at beginning of year Number	Granted as remuneration Number	Options exercised Number	Net Change Other Number (i)	Balance at end of year Number	Grant Value	Percentage vested
Directors							
Mr Christpoher Zielinski							
Class A	3,333,333	-	-	(3,333,333)	-	$0.0102	100%
Class B	3,333,333	-	-	-	3,333,333	$0.0090	0%
Class C	3,333,333	-	-	-	3,333,333	$0.0081	0%
Mr Patric Glovac							
Class A	3,333,333	-	-	(3,333,333)	-	$0.0102	100%
Class B	3,333,333	-	-	-	3,333,333	$0.0090	0%
Class C	3,333,333	-	-	-	3,333,333	$0.0081	0%
Mr Troy Hayden							
Class A	3,333,334	-	-	(3,333,334)	-	$0.0102	100%
Class B	3,333,334	-	-	-	3,333,334	$0.0090	0%
Class C	3,333,334	-	-	-	3,333,334	$0.0081	0%
Mr Richard Barker							
Class A	-	-	-	-	-	-	-
Class B	-	-	-	-	-	-	-
Class C	-	-	-	-	-	-	-

(i) *In February 2021, vesting conditions of the Director's 10 million Class A Performance Right were achieved (VWAP $0.024). The Directors elected to convert their Rights into shares as per the terms and conditions of the Rights.*

Shareholdings of Key Management Personnel

30 June 2021	Balance at beginning of year Number	Granted as remuneration Number	On vesting of performance rights Number (ii)	Net Change Other Number (iii)	Balance at time of resignation	Balance at end of year Number
Directors						
Mr Chris Zielinski	-	-	3,333,333	-	-	3,333,333
Mr Patric Glovac	2,083,334	-	3,333,333	694,445	-	6,111,112
Mr Troy Hayden	-	-	3,333,334	-	-	3,333,334
Mr Richard Barker (i)	-	-	-	-	-	-

DIRECTORS' REPORT

Remuneration report continued

(i) *At time of appointment 6 November 2020*
(ii) *In February 2021 vesting conditions of the Director's 10 million Class A Performance Right was achieved (VWAP $0.024). Directors elected to convert their Rights into shares as per the terms and conditions of the Rights.*
(iii) *Shares acquired via participation in the Rights Issue conducted in September 2020*

Listed option holdings of Directors

30 June 2021	Balance at beginning of year Number	Granted as remuneration Number (ii)	Options exercised Number	Net Change Other Number (i)	Balance at end of year Number	Grant Value	Percentage vested
Directors							
Mr Chris Zielinski	-	-	-	-	-	-	
Mr Patric Glovac (i)	-	-	-	231,481	231,481	Nil	100%
Mr Troy Hayden	-	-	-	-	-	-	
Mr Richard Barker	-	-	-	-	-	-	-

(i) Issued as part of participation in the Rights Issue conducted in September 2020. These were free attaching options (exercise price $0.02, expiry 15 Dec 2022).

All equity transactions with key management have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years by the *Corporations Act 2001.* These are not necessarily consistent with measures used in determining variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Statutory key performance indicators of the group over the last five years

	2021	2020	2019	2018	2017
Loss for the year attributable to owners of Global Oil and Gas Ltd ($'000)	(1,892)	(470)	(4,017)	(8,148)	(326)
Basic loss per share cents	(0.324)	(0.182)	(1.725)	(0.029)	(0.001)
Dividend payments	0	0	0	0	0
Dividend payout ration	n/a	n/a	n/a	n/a	n/a
Increase/(decrease) in share price (%)	50%	(50%)	(400%)	400%	0

Other transactions with Key Management Personnel

Payments were made to GTT Ventures Pty Ltd (a company of which Patric Glovac is a Director and shareholder) and included the following:
Capital Raising Fees $76,521
Payment to 19808283 Pty Ltd (a company of which Patric Glovac is a Director and shareholder)
Rent - $33,000

As part of the Goshawk Energy Corporation Pty Ltd 20% interest acquisition, 10,714,285 facilitator shares and 10,714,285 listed options were issued to GTT Ventures Pty Ltd Valuation of the shares and options were based on the closing market price on the previous trading day, before issue. Shares were valued at $0.012 per share and options $0.004 per option. Total value assigned is therefore $171,429. (Refer to Note 13 for further details of valuation).

Payments were made to Nova Legal (a company of which Chris Zielinski is a Director) included the following:
Legal fees $47,218

Loans to Key Management Personnel

There are no loans to key management personnel during the year.

End of Audited Remuneration Report

DIRECTORS' REPORT

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors meetings	
Number of meetings held:	3	
Number of meetings attended:		
Mr Chris Zielinski	3	
Mr Patric Glovac	3	
Mr Troy Hayden	3	
Mr Richard Barker	2	Appointed 6 November 2020

Proceedings on behalf of the Company
No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's Independence and Non-Audit Services
Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 18 and forms part of this directors' report for the year ended 30 June 2021.

Non-Audit Services
No non-audit services were provided during the year by the auditor other than what has been disclosed in Note 19. The Company may deploy the auditors for non-audit services in the future.

Signed in accordance with a resolution of the directors.

Dated: 29 September 2021

P Glovac
Executive Director

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Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF GLOBAL OIL & GAS LIMITED

As lead auditor of Global Oil & Gas Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Global Oil & Gas Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 $	2020 $
Continuing operations			
Income			
Interest income	2	**5,804**	3,542
CVS loan interest	2	**85,699**	51,258
Other income	2	**-**	75,000
ATO cashflow boost	2	**5,000**	15,000
		96,503	144,800
Expenses			
Employee benefits expense		**272,041**	207,575
Expected credit loss adjustment to financial assets (CVS Loan)		**-**	27,222
Technical consultants and contracts		**21,011**	17,487
Occupancy expenses		**10,470**	22,000
Finance Costs		**4,576**	-
Travel expenses		**-**	1,091
Administration expenses	2	**381,093**	309,537
Share based payment	13	**186,919**	30,141
Other		**102**	43
Lease amortisation		**24,174**	-
Impairment exploration EP127	9	**1,032,792**	-
Share of Loss in Goshawk (20%)	8	**55,614**	-
Loss before income tax expense		**1,892,290**	470,295
Income tax benefit	3	**-**	-
Loss after income tax for the year from continuing operations		**1,892,290**	470,295
Loss from discontinued operations		**-**	-
Loss for the Year		**1,892,290**	470,295
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
		-	-
Total comprehensive loss for the year attributable to owners of the Company		**1,892,290**	470,295
Basic and diluted loss per share for the year attributable to the members of Global Oil and Gas Ltd (cents per share)	5	**0.324 cents**	0.182 cents

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	**2021** **$**	2020 $
Assets			
Current assets			
Cash and cash equivalents	6	**1,602,568**	405,140
Prepayments	7	**5,550**	4,602
Financial assets	7	**-**	5,000
Total current assets		**1,608,118**	414,722
Non-current assets			
Financial Assets	7	**-**	364,302
Deferred exploration and evaluation expenditure	9	**430,000**	1,257,536
Right of use asset		**40,290**	-
Investment in Associate (Goshawk)	8	**3,009,028**	-
Total non-current assets		**3,479,318**	1,621,838
Total assets		**5,087,436**	2,036,580
Liabilities			
Current liabilities			
Trade and other payables	10	**97,595**	84,740
Annual Leave Provision		**13,898**	-
Lease Liability		**33,129**	-
Total current liabilities		**144,622**	84,740
Non-current liabilities			
Lease Liability		**8,911**	-
Total non-current liabilities		**8,911**	-
Total liabilities		**153,533**	84,740
Net assets		**4,933,903**	1,951,840
Equity			
Issued capital	11	**60,669,682**	56,333,191
Reserves	11,13	**568,003**	30,141
Accumulated losses	12	**(56,303,781)**	(54,411,492)
Total equity		**4,933,903**	1,951,840

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

Consolidated	Notes	Issued capital $	Reserves	Accumulated Losses	Total equity $
Balance at 1 July 2020		**56,333,191**	**30,141**	**(54,411,492)**	**1,951,840**
Loss for the year		**-**	**-**	**(1,892,290)**	**(1,892,290)**
Total comprehensive loss for the year		**-**	**-**	**(1,892,290)**	**(1,892,290)**
Transactions with owners in their capacity as owner					
Share Issue	**11**	**4,600,683**	**-**	**-**	**4,600,683**
Share Issue Costs	**11**	**(264,192)**	**-**	**-**	**(264,192)**
Performance Rights	**13**		**182,519**		**182,519**
Issue of Options	**11**		**355,343**		**355,343**
Balance at 30 June 2021		**60,669,682**	**568,003**	**(56,303,781)**	**4,933,903**
Balance at 1 July 2019		55,773,618	-	(53,941,197)	1,832,421
Loss for the year		-	-	(470,295)	(470,295)
Total comprehensive loss for the year		-	-	(470,295)	(470,295)
Transactions with owners in their capacity as owner					
Share Issue	11	600,000	-	-	600,000
Share Issue Costs	11	(40,427)	-	-	(40,427)
Performance Rights	13	-	30,141	-	30,141
Balance at 30 June 2020		56,333,191	30,141	(54,411,492)	1,951,840

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers and employees		**(658,911)**	(514,631)
Interest Received		**5,804**	3,542
ATO cashflow boost		**10,000**	10,000
Miscellaneous Income		**-**	75,000
Net cash outflows from operating activities	6	**(643,107)**	(426,089)
Cash flows from investing activities			
Acquisition of Goshawk Energy	8	**(1,007,500)**	-
Repayment of Loans from other entities		**450,000**	-
Exploration and evaluation expenditure		**(205,256)**	(9,095)
Net cash (outflows)/ inflows from investing activities		**(762,756)**	(9,095)
Cash flows from financing activities			
Proceeds from issue of shares		**2,800,683**	600,000
Payments for share issue costs		**(170,392)**	(40,427)
Lease repayment		**(27,000)**	-
Net cash inflows from financing activities		**2,603,291**	559,573
Net increase/(decrease) in cash and cash equivalents		**1,197,428**	124,388
Cash and cash equivalents at the beginning of the year		**405,140**	280,752
Cash and cash equivalents at the end of the year	6	**1,602,568**	405,140

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This General Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Going Concern

For the period ended 30 June 2021 the Group made a loss of $1,892,290 (2020: $470,295) and had cash outflows from operating activities of $643,107 (2020: $426,089). Cash on hand at 30 June 2021 was $1,602,568.

The Board believes that the measures it has taken, enable the Company to prepare the financial report on a going concern basis. Subsequent to 30 June 2021, the Company successfully completed a Placement issue of 187,500,000 fully paid ordinary shares at an issue price of $0.016 per share to qualified sophisticated and professional investors, raising $3 million (before costs). This placement forms part of the recently announced (6 September 2021) Heads of Agreement with Western Gas to acquire a 25% interest in its Sasanof project. Refer to the subsequent event note at Note 18 for further details. The Company has received firm commitments for the remaining 500 million shares to be issued at $0.016 per share to raise a further $8 million before costs.

COVID -19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Historical Cost Convention
The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(e).

Functional and presentation currency
The functional currency of the Group is measured using the currency of the primary economic environment in which the entity operates, however the financial statements are presented in Australian dollars, which is the economic environment that the parent operates.

(b) Adoption of new and revised standards

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

(c) Statement of compliance

The financial report was authorised for issue by the directors on 29 September 2021. The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

(d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Global Oil and Gas Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the period then ended. Global Oil and Gas Limited and its subsidiaries are referred to in this financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(e) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model. For equity instruments with market based vesting conditions, a Barrier 1 Valuation model is used.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of equity instruments that will eventually vest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on the non-market vesting and service conditions . The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve

Impairment of exploration expenditure

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. When assessing impairment of exploration and evaluation assets, the carrying amount of exploration and evaluation is compared to its recoverable amount. The estimated recoverable amount is used to determine the extent of the impairment loss (if any). An independent valuation of EP127 exploration was conducted and the Board made the decision to impair the carrying value to match this valuation. See Note 9 for further details.

Provision for impairment of receivable

The loss allowance for financial assets are based on assumptions about risk of default and expected credit loss rate. The Group uses judgement in making these assumptions and selecting the input to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Investments in associates

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries. A holding of 20% or more of the voting power will indicate significant influence. They are accounted for using the equity method. The carrying amount of the investment in associates is increased or decreased to recognise the group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the group.

Asset Acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. Asset's acquired during the period were exploration expenditure.

Judgements have been applied in relation to the deferred consideration element in the assets acquisition of Investment In associate, in that the liability will be recognised at the point in time when the milestone is likely to be achieved. At balance date the probability of achieving the milestone has been assessed as nil (refer to Note 8 for further details).

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Global Oil and Gas Limited.

(g) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Government Grants

Grants relating to income are presented as part of profit or loss under the heading “Other Income”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Goods and Services taxes
Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Cash and cash equivalents
Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(k) Trade and other receivables
Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. Other receivables are recognised at amortised cost less an allowance for expected credit loss.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the Statement of Profit or Loss and other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income. Refer Note 7.

(l) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(o) Trade and other payables
Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(p) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(q) Share-based payment transactions
Equity settled transactions
The Group in a previous financial year provided benefits to employees of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). During the current year, share based payment in the form of Performance Rights were granted to Directors. Refer to Note 13 for further information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Global Oil and Gas Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Profit or Loss and Other Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.
The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. Refer Note 5 for further details.

(r) Issued capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(s) Loss per share
Basic loss per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share is calculated as net loss attributable to members of the parent, adjusted for:
- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.
Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

During the current financial year, the Group acquired interest in the Goshawk Energy where all exploration and evaluation expenditure in relation to this project will be expensed as incurred until a time where an asset is in development. Acquisition costs relating to acquisition has been capitalised as part of the investment in associate. Refer Note 8 for further details.

The Group continues to capitalise exploration and evaluation in relation to EP127 Project and performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to these areas of interest

(u) Parent entity financial information

The financial information for the parent entity, Global Oil and Gas Limited, disclosed in Note 17 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries
Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

(v) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

(w) Investment in Associate

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

After application of the equity method, the company determines whether it is necessary to recognise any additional impairment loss with respect to the company's net investment in the associate.

The company's share of the associate post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: OTHER INCOME AND EXPENSES

	2021 $	2020 $
Other Income		
Bank Interest Income	**5,804**	3,542
CVS Loan interest	**27,970**	51,258
CVS loan write off	**57,729**	-
Other – Westmarket option fee and deposit	**-**	75,000
ATO cashflow boost	**5,000**	15,000
	96,503	144,800

	2021 $	2020 $
Administrative Expenses		
Legal Fees	**39,938**	39,948
Share Registry Fees	**94,448**	86,942
Company Secretarial/Accounting/Bookkeeping fees	**64,082**	67,555
Audit Fees	**41,855**	34,031
ASX & Listing Fees	**52,837**	28,602
Other	**87,933**	52,459
Total administrative expenses	**381,093**	309,537

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: INCOME TAX

Income tax recognised in profit or loss
The major components of tax expense are:

	2021	2020
	$	$
Current tax expense/(income)	**-**	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	**-**	-
	-	-

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

	2021	2020
	$	$
Accounting loss before tax from continuing operations	**(1,892,290)**	(470,295)
Gain before tax from discontinued operations	**-**	-
Accounting loss before income tax	**(1,892,290)**	(470,295)
Income tax benefit calculated at 30% (2020: 30%)	**(567,687)**	(141,089)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenditure/(Non-assessable income)		
Entertainment	**-**	174
Shares based payments	**56,076**	9,042
Non-assessable Income	**(27,210)**	(27,000)
Other non-deductible expenditure	**-**	8,167
Timing Movements not recognised	**263,911**	(9,352)
Losses not recognised	**274,910**	160,053
Income tax benefit reported in the consolidated statement of comprehensive income	**0**	0
Income tax attributable to discontinued operations	**-**	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2019: 30.0%) payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax asset

Tax losses	**1,247,391**	962,181
40-880	**64,928**	26,947
Accruals and Provisions	**10,565**	5,700
Lease Liabilities	**12,612**	-
Investment in Associate (Goshawk)	**20,217**	-
	1,355,713	994,828
Offset of deferred tax liabilities	**(134,829)**	(378,641)
Net deferred tax assets	**1,220,884**	616,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 4: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The consolidated entity operates in a single business segment being oil and gas exploration in Australia.

The company is domiciled in Australia. All revenue from external parties in generated from Australia only. All the assets are located in Australia, investing in opportunistic/distressed situations where both short and long term rewards may be produced for shareholders.

NOTE 5: LOSS PER SHARE

Basic loss per share	**2021 Cents per share**	2020 Cents per share
Loss after income tax	**(0.324)**	(0.182)
Loss from continuing operations	**(0.324)**	(0.182)

Basic loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2021 $	2020 $
Loss for the year	**(1,892,290)**	(470,295)
Loss from continuing operations	**(1,892,290)**	(470,295)

	2021 Number	2020 Number
Weighted average number of ordinary shares for Basic earnings per share	**584,132,669**	257,922,832

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6: CASH AND CASH EQUIVALENTS

	2021	2020
	$	$
Cash at bank and on hand	**1,602,568**	405,140

Cash at bank earns interest at floating rates based on daily bank deposit rates. (Refer to Note 14 Financial Risk Management).

Reconciliation of loss for the year to net cash flows from operating activities

	2021	2020
	$	$
Loss for the year	**(1,892,290)**	(470,295)
Impairment of exploration expenditure	**1,032,792**	-
Provision for non-recovery of loans	**-**	27,222
CVS loan interest	**(27,970)**	(51,258)
CVS loan write off	**(57,729)**	-
Lease amortisation	**24,174**	-
Share of loss of investment in associate (Goshawk)	**55,614**	-
Lease liability interest	**4,576**	-
Share based payment	**186,919**	30,141
Exploration expensed	**-**	1,559
Other	**13,899**	(10,001)
(Increase)/decrease in assets:		
Trade and other receivables	**5,000**	(5,000)
Prepayments	**(948)**	8,686
Increase/(decrease) in liabilities:		
Trade and other payables	**12,855**	42,857
Net cash outflow from operating activities	**(643,107)**	(426,089)

Non-cash investing and financing activities

	2021	2020
	$	$
Goshawk acquisition shares and options (a)	**1,714,286**	-
Goshawk Facilitator shares and options (b)	**342,857**	-
Issue of Options to Company Secretary (c)	**4,400**	-
Issue of broker options in relation to Jan 2021 Placement (d)	**93,800**	-
	2,165,343	-

(a) Issue of 128,571,429 shares at $0.012 per share plus 42,857,143 listed options as Goshawk acquisition consideration (at $0.004 per option) on 5 November 2020
(b) Issue of 21,428,570 shares at $0.012 per share plus 21,428,570 listed options for Facilitation fees (at $0.004 per option) on 5 November 2020
(c) Issue of 13,400,000 GLVO for Broker fees Placement (at $0.007 per option on 22 January 2021
(d) Issue of 400,000 GLVO to Company Secretary at $0.011 per option on 1 April 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 7: PREPAYMENTS AND OTHER FINANCIAL ASSETS

		2021	2020
Current		**$**	$
Prepayments – D&O Insurance		**5,550**	4,602
Trade and other receivables		**-**	5,000
		5,550	9,602
Financial Asset at amortised cost			
Loan to unrelated entity – unsecured (Cervantes Corporation Ltd)	(i)	**364,302**	1,257,400
Loan amendment (waive of Rights and Fees)		**-**	(357,400)
Provision for loss allowance		**-**	(586,956)
Repayment of Loan		**(450,000)**	-
CVS interest	(i)	**85,699**	51,258
Net loan amount		**-**	364,302
Non-current			
Loans to unrelated entities – secured (CIS)		**4,301,168**	4,301,168
Provision for non-recovery of loan		**(4,301,168)**	(4,301,168)
Net loan amount		**-**	-
Grand total		**-**	364,302

(i) In April 2021, the Company entered into a Deed of Assignment ("DOA") with Bath Resources Pty Ltd ("Bath") and Cervantes Corporation Limited (ASX: CVS) in relation to the loan agreement ("loan agreement") entered between GLV and CVS dated 23 July 2012 and as amended by a letter agreement dated 2 August 2018.

Under the DOA GLV received total consideration of $450,000 as follows:

- An upfront $35,000 non-refundable deposit.
- A further deferred payment of $415,000.

GLV receipted total consideration as at 4th June 2021. This DOA has now been settled and the loan has a nil balance.

NOTE 8: INVESTMENT IN ASSOCIATE

On the 5th of November 2020, Global Oil and Gas Ltd completed the acquisition of a 20% interest in Goshawk Energy Corporation Pty Ltd. As the acquisition of Goshawk Energy Corporation Pty Ltd is not deemed a business acquisition, the transaction must be accounted for as a share based payment for the net assets acquired (ie. asset acquisition).

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase acquisition and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included will be included in the capitalised cost of the asset.

The acquisition was approved by shareholders at the meeting held 29 October 2020. The consideration payable was a $25,000 option fee plus $975,000 cash consideration and the issue of 128,571,429 GLV shares at a deemed issued price of $0.012 (closing price on the date of issue) and 42,857,143 listed options. Further to this is deferred consideration as follows:

(a) $1,350,000 worth of fully paid ordinary shares in GLV at a 3 month VWAP calculated up to the Milestone being the commencement of drilling of a commercial hydrocarbon well on any of the Goshawk or Goshawk Squadron Joint Venture Licenses within 3 years after Completion of the Transaction; and

(b) If any necessary Shareholder Approvals are not obtained within 2 months (or such other date mutually agreed by the Parties in writing) of the Milestone Date occurring, Goshawk has the election of nominating to receive the Milestone Consideration in shares (subject to all necessary shareholder and regulatory approvals) or to elect to have GLV pay Goshawk Holdings, $1,350,000 cash in lieu of the Milestone Consideration Shares..

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 8: INVESTMENT IN ASSOCIATE cont.

The achievement of the milestones have been assessed to have a zero probability of being issued at acquisition date and hence no value has been attributed to the deferred consideration shares. Given the acquired interest in Goshawk or Goshawk Squadron Joint venture licenses are at a very early stage with no confirmed timeline for commencement of drilling of a commercial hydrocarbon well, the Company has assessed that a zero probability is appropriate. The probability is assessed again at each reporting date. The deferred consideration element includes cash or shares and hence the company has elected to recognise the liability at the time when the milestone is expected to be achieved. At reporting date a probably of achieving the milestone has been assessed as nil hence no liability has been recognised with respect to the deferred consideration

Part of the conditions to this agreement was GLV undertaking (to its satisfaction and subject to all necessary shareholder and regulatory approvals) a Capital Raising, to raise a minimum of $1.7 million at a deemed issue price of $0.007, being 242,857,143 shares, with 1 for 3 free attaching unlisted options (exercisable at $0.02 each, expiring 15 Dec 2022) on the same terms as the Consideration Securities. The Company successfully conducted an Entitlement Issue of shares as well as a Placement, to satisfy this condition.

Details of the consideration paid as at 5 November 2020 are as follows:

Purchase consideration comprises:	$
Option fee (paid in cash)	25,000
Cash consideration	975,000
Due Diligence costs	7,500
128,571,429 GLV shares to vendor (issue price $0.012)	1,542,857
42,857,143 GLV listed options (GLVO) (issue price $0.004)	171,429
21,428,570 GLV shares to Facilitator (issue price $0.012) [(i)]	257,143
21,428,570 GLV listed options (GLVO) (issue price $0.004)[(i)]	85,714
Total consideration	**3,064,643**

(i) 10,714,285 Facilitator shares and 10,714,285 listed options were issued to GTT Ventures Pty Ltd, of which P Glovac is a Director and shareholder.

	$
Net assets acquired on 5 November 2020	Nil
	Nil

Opening balance as at 5 November 2020	-
Investment in Goshawk Energy Corporation Pty Ltd (20%)	**3,064,643**
Share of loss after income tax (20%)	**(55,614)**
Closing carrying amount at 30 June 2021	**3,009,028**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 8: INVESTMENT IN ASSOCIATE cont.

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

		Ownership interest
		2021
Name	**Country of incorporation**	**%**
Goshawk Energy Corporation Pty Ltd	Australia	20.00%

Summarised financial information	**2021**
	$
Summarised statement of financial position	
Current assets	**701,114**
Non-current assets	**5,723**
Total assets	**706,837**
Liabilities	
Current liabilities	**14,578**
Non-current liabilities	**-**
Total liabilities	**14,578**
Net Assets	**692,259**

	2021
	$
Summarised statement of profit or loss and other comprehensive income	
Revenue	**361,895**
Expenses	**(639,966)**
Loss before income tax	**(278,071)**
Income tax expense	**-**
Loss after income tax	**(278,071)**
Other comprehensive loss	**-**
Total comprehensive income	**(278,071)**
Reconciliation of the consolidated entity's carrying amount	
GLV's (20%) share of loss after income tax	**(55,614)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9: EXPLORATION AND EVALUATION

Exploration and evaluation costs carried forward in respect of exploration areas of interest:

	2021	2020
	$	$
Opening Balance Exploration and Evaluation	**1,257,356**	1,240,000
Additions	**205,436**	17,356
Provision for Impairment (i)	**(1,032,792)**	-
Closing balance	**430,000**	1,257,356

(i) The ultimate recoupment of the Company's expenditure in oil and gas interest is dependent on successful development and commercial exploitation or sale of the respective interests at amounts at least equal to book value. An independent valuation by Fluid Energy Consultants of the Company's 100% interest in EP 127 has placed a fair value of $430,000 on this asset. An impairment amount of $1,032,792 has been applied accordingly. The basis of the valuation of exploration and evaluation assets is at fair value and is based on comparable market transactions for similar assets.

NOTE 10: TRADE AND OTHER PAYABLES (CURRENT)

	2021	2020
	$	$
Trade payables	**61,706**	35,432
Accruals	**22,000**	36,280
Payroll Liabilities	**16,402**	5,861
Sundry Creditors/(GST receivable)	**(2,513)**	7,167
	97,595	84,740

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in Note 14.

NOTE 11: ISSUED CAPITAL

	Number	2021	Number	2020
		$		$
Ordinary shares issued and fully paid (i)	**763,658,572**	**60,669,682**	260,791,684	56,333,191

(I) Issued capital was consolidated on a 1 for 12 basis in June 2020. The 2019 issued capital number has been adjusted accordingly and on the same basis for comparison purposes. This was approved by shareholders at the meeting held 22 May 2020.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.
On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: ISSUED CAPITAL cont.

Movement in ordinary shares on issue

	2021		2020	
	Number	**$**	Number	$
Balance at beginning of year	**260,791,684**	**56,333,191**	2,829,479,904	55,773,618
Placement tranche 1 (Aug 2020) (i)	**39,118,753**	**273,831**	-	-
Rights Issue (Sep 2020) (ii)	**41,277,190**	**288,940**	-	-
Rights Issue shortfall (Oct 2020) (ii)	**58,692,956**	**410,851**	-	-
Placement tranche 2 (Nov 2020) (iii)	**103,738,390**	**726,169**	-	-
Vendor and Facilitator shares -Goshawk (Nov 2020) (iv)	**149,999,999**	**1,800,000**	-	-
Option conversion (Nov 2020) (v)	**5,556**	**111**	-	-
Options conversion Jan 21	**278**	**6**	-	-
Placement Jan 21	**100,000,000**	**1,100,000**	-	-
Conversion Performance Rights	**10,000,000**	**100**	-	-
Option conversion	**33,766**	**675**	-	-
Placement August 2019	**-**	**-**	300,000,000	600,000
Consolidation 1 for 12 - June 2020	**-**	**-**	(2,868,688,220)	-
Capital Raising Costs	**-**	**(264,192)**	-	(40,427)
Balance at end of year	**763,658,572**	**60,669,682**	260,791,684	56,333,191

(i) Issue of 39,118,753 shares at $0.007 per share in a Placement to sophisticated/ Professional Investors to raise $273,831 before costs

(ii) Entitlement Issue of shares offered to all shareholders. A total of 99,970,146 shares issued at $0.007 per share to raise $699,791 before costs (including shortfall shares 58,692,956)

(iii) Issue of 103,738,390 shares at $0.007 per share in a Placement (tranche 2) approved by shareholders at a meeting held 29 October 2020

(iv) Issue 128,571,429 shares (valued at $0.012 which was the trading price on the date of issue) to the vendor as consideration for the acquisition of 20% interest in Goshawk Energy Corporation Pty Ltd. In addition 21,428,570 share were issued to the facilitator of this transaction on the same basis. These issues were approved by shareholders at the meeting held 29 October 2020.

(v) Issue of 5,556 GLV shares on conversion of listed options by shareholders at an exercise price of $0.02

Reserves

Movements in reserves were as follows:

	Option premium reserve	Equity based payment reserve	Total
2021	$	$	$
Balance at beginning of year	-	30,141	30,141
Equity based payment options (i)	355,343	-	355,343
Equity based payment (performance rights) (See note 13)	-	68,661	68,661
Equity based expense conversion Class A Performance Rights (See note 13)	-	113,858	113,858
Balance at end of year	355,343	212,660	568,003

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: ISSUED CAPITAL cont.

(i) Options issued during the year include:

	$
Issue of 42,857,143 GLVO as Goshawk acquisition consideration (at $0.004 per option) (i)	171,429
Issue of 21,428,570 GLVO for Facilitation fees (at $0.004 per option) (i)	85,714
Issue of 13,400,000 GLVO for Broker fees Placement (Jan 21) (at $0.007 per option)	93,800
Issue of 400,000 GLVO to Company Secretary (at $0.011 per option)	4,400
	355,343

(i)All options issued were listed. As such the value attributed to the issue of options was, in each instance, the closing market price on the day before issue.

Movement in Option Reserve	**2021**	2020
	$	$
Opening Balance	**-**	-
Goshawk consideration and facilitator options	**257,143**	-
Issue of option Company Secretary (share based payment expense)	**4,400**	-
Issue of Broker Options (Placement Jan 2021)	**93,800**	-
Option reserve closing balance	**355,343**	-

Nature and purpose of options reserve

This comprises the amortised portion of fair value of options issued and recognised as share based payment expense.

NOTE 12: ACCUMULATED LOSSES

	Consolidated Entity	
	2021	**2020**
	$	**$**
Accumulated losses at the beginning of the year	**(54,411,492)**	**(53,941,197)**
Net loss for the year	**(1,892,290)**	**(470,295)**
Accumulated Losses at the end of the year	**(56,303,781)**	**(54,411,492)**

NOTE 13: SHARE BASED PAYMENTS

a) Recognised as share based payment expense

	2021	2020
	$	$
Expense arising from equity settled share based payment transactions	**186,919**	**30,141**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: SHARE BASED PAYMENTS cont

b) *Performance Rights*

Performance Rights (termed 'series 1') were granted to Directors on the 21 November 2019 (approved at the Company's Annual General Meeting 'AGM'). These performance rights had market based conditions attached, being various Volume Weighted Average Price ('VWAP') hurdles.

Subsequent to grant date, these performance rights were voluntarily cancelled by Directors on 9 April 2020 and replaced with alternative performance rights (termed 'series 2'). The cancellation was as a result of the Sale of EP 127 not proceeding, the Company restructure and refocus, as well as the consolidation of its' issued capital.

The alternative performance rights were formalised and granted following shareholder approval at the Company's General Meeting on 22 May 2020. These performance rights had market based conditions attached, being various Volume Weighted Average Price ('VWAP') hurdles.

As a result of this arrangement, in accordance with the requirements of AASB 2 Share-Based Payments, modification accounting to the share based payment arrangement was applied. This required the fair value of the original series 1 to be determined on modification date in addition to determining the fair value of the new series 2. The fair value assessments formed the share-based payment expense recognised for the year ended 30 June 2021.

Performance Rights valuations were conducted by external consultant, RSM, utilising the Hoadley trading & Investment tools *Barrier1* trinomial option valuation model.

The fair value assessment performed by management are detailed below. A total share-based payment expense of $182,519 was recognised for the year ended 30 June 2021 in relation to these arrangements. Included in this amount is the share based expense of $113,858 relating to the conversion of ten million Class A Performance Rights that have vested in the current year as announced on 19 February 2021.

Series 1 Performance Rights

Series 1	Number	Modification date	Expiry date	Vesting Hurdle (20 day VWAP)	Fair value 9 April 2020
Directors					
1. Class A Performance Rights	2,500,000	9/4/2020	8/4/2023	$0.072	$0.0051
2. Class B Performance Rights	2,500,000	9/4/2020	8/4/2023	$0.108	$0.0040
2. Class C Performance Rights	2,500,000	9/4/2020	8/4/2023	$0.180	$0.0028

Item	Class A	Class B	Class C
Valuation date	9/4/2020	9/4/2020	9/4/2020
Spot price	$0.010	$0.010	$0.010
Exercise price	$0.00001	$0.00001	$0.00001
Vesting hurdle (20-day VWAP)	$0.072	$0.108	$0.180
Expiry date	8/4/2023	8/4/2023	8/4/2023
Expected future volatility	100%	100%	100%
Risk free rate	0.25%	0.25%	0.25%
Dividend yield	Nil	Nil	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: SHARE BASED PAYMENTS cont.

a) *Performance Rights (continued)*

As a result, a share based payments expense, as recognised within 'share based payment' for the year ended 30 June 2021 was $40,691. This includes the amount of $26,079 which relates to the conversion of the Class A Performance Rights during the year.

The amount includes the incremental fair value difference between the fair value of the performance rights on grant date (21 November 2019) and at the date of modification (9 April 2020). This reflects the total fair value of the performance rights over the three year vesting period.

Series 2 Performance Rights

Series 2	Number	Grant date (i)	Expiry date	Vesting Hurdle (20 day VWAP)	Fair value
Directors					
1. Class A Performance Rights (ii)	10,000,000	22/5/2020	21/5/2023	$0.024	$0.0102
2. Class B Performance Rights (ii)	10,000,000	22/5/2020	21/5/2023	$0.036	$0.0090
2. Class C Performance Rights (ii)	10,000,000	22/5/2020	21/5/2023	$0.048	$0.0081

(i) Date shareholder approval was obtained for the revised performance rights.

(ii) The Company engaged an expert to determine a value for the Performance Rights using the *Barrier1* valuation model developed by Hoadley Trading & Investment Tools, which uses a trinomial lattice calculation. Inputs to determine the valuation is tabled below.

Item	Class A	Class B	Class C
Valuation date	22/5/2020	22/5/2020	22/5/2020
Spot price	$0.012	$0.012	$0.012
Exercise price	$0.00001	$0.00001	$0.00001
Vesting hurdle (20-day VWAP)	$0.024	$0.036	$0.048
Expiry date	21/5/2023	21/5/2023	21/5/2023
Expected future volatility	100%	100%	100%
Risk free rate	0.30%	0.30%	0.30%
Dividend yield	Nil	Nil	Nil

As a result, a share based payment expense, as recognised within 'share based payment' for the year ended 30 June 2021 was $141,828. This includes the amount of $87,779 which relates to the conversion of the Class A Performance Rights during the year. This reflects the total fair value of the performance rights over the three year vesting period.

b) *Options*

Included in share based payments were options issued to Company Secretary of $4,400.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: SHARE BASED PAYMENTS cont.

c) *Issued as part of Goshawk acquisition*

During the year, the Group completed the acquisition of investment in associate, Goshawk Energy Corporation Pty Ltd, via the issue of shares and options. Refer to Note 8 for further details.

Movement in Share Based Payment Reserve	**2021**	2020
	$	$
Opening Balance	**30,141**	-
Share based expense (Class B and C Performance Rights)	**68,661**	30,141
Share based expense on conversion of 10 million Class A Performance Rights	**113,858**	-
Share based payment reserve closing balance	**212,660**	30,141

Nature and purpose of share based payments reserve

This comprises the amortise portion of fair value of performance rights issued and recognised as share based payments expense.

NOTE 14: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents (no debt) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, and general administrative outgoings.

Categories of financial instruments

	2021	2020
	$	$
Financial assets		
Cash and cash equivalents	**1,602,568**	405,140
Loan to unrelated entity – Cervantes Loan	**-**	313,044
Trade and other receivables	**-**	5,000
Total	**1,602,568**	723,184
Financial liabilities		
Lease liability	**33,129**	48,460
Trade and other payables	**97,595**	-
Total	**130,724**	48,460

Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14: FINANCIAL INSTRUMENTS cont.

Market risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Credit Risk

The Group is exposed to credit risk on its loans to unrelated entities and cash held, as disclosed in Note 1 and Note 7.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity Risk
Management monitors rolling forecasts of the Group's cash reserves on the basis of expected cash flows. The Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to pay debts as and when they become due and payable.

	Weighted average interest rate	**1 year or less**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Remaining contractual maturities**
		$	**$**	**$**	**$**	**$**
Non-interest bearing						
Trade and other payables	-	61,706	-	-	-	61,706
	-	**61,706**	**-**	**-**	**-**	**61,706**
Interest-bearing – fixed rate						
Lease Liability	12.5%	33,129	8,911	-	-	42,040
		33,129	**8,911**	**-**	**-**	**42,040**

Fair value of Loans to Unrelated Entities at amortised Cost
The fair value of loans are classified as level 3 fair value in the fair value hierarchy due to inclusion of unobservable inputs in deciding counterparty credit risk, as disclosed in Note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 15: COMMITMENTS AND CONTINGENCIES

a) Explorations commitments

Under the requirements of the Northern Territory Department of Mines and Petroleum, the Company has an annual minimum expenditure of $500,000 on the granted tenements.

Tenement	Date Acquired	**Annual Expenditure Commitment 2021**	Annual Expenditure Commitment 2020
		$	
EP127	14 September 2015	**500,000**	500,000
Total		**500,000**	500,000

In order to retain the rights of tenure to its granted tenements, the Company is required to meet the minimum statutory expenditure requirement but may reduce these at any time by reducing the size of the tenements. The figure below assumes that no new tenements are granted and the only compulsory statutory area reductions are made.

	$
Not later than 1 year	500,000
Later than 1 year but not later than 5 years	9,350,000
Total	9,850,000

b) Contingent liabilities

Note 8 details the milestone deferred consideration with respect to the Goshawk acquisition. These conditions have not been met at reporting date therefore the deferred consideration has not been accounted for.

NOTE 16: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Global Oil & Gas Limited and the subsidiaries listed in the following table. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Country of incorporation	2021 %	2020 %
Parent Entity			
Global Oil and Gas Limited	Australia		
Subsidiaries			
Baraka Minerals Pty Ltd	Australia	100	100
Goldfleet Enterprises Pty Ltd	Australia	100	100

Global Oil and Gas Ltd have a 20% interest in Goshawk Energy Corporation Pty Ltd. Refer Note 8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16: RELATED PARTY DISCLOSURE cont

Key Management Personnel Remuneration

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report. Total remuneration paid to key management personnel is as follows:

	2021 $	2020 $
Remuneration type		
Short-term employee benefits	**246,500**	190,000
Post-employment benefit	**23,418**	17,575
Equity based payment	**182,518**	30,141
Total	**452,436**	**237,716**

Payments were made to GTT Ventures Pty Ltd (a company of which Patric Glovac is a Director and shareholder) and included the following:
Capital Raising Fees $76,521
Payment to 19808283 Pty Ltd (a company of which Patric Glovac is a Director and shareholder)
Rent - $33,000

As part of the Goshawk Energy Corporation Pty Ltd 20% interest acquisition, 10,714,285 facilitator shares and 10,714,285 listed options were issued to GTT Ventures Pty Ltd Valuation of the shares and options were based on the closing market price on the previous trading day, before issue. Shares were valued at $0.012 per share and options $0.004 per option. Total value assigned is therefore $171,429.

Payments were made to Nova Legal (a company of which Chris Zielinski is a Director) included the following:
Legal fees $47,218

Loans to Key Management Personnel
There were no loans to Key Management Personnel.

Other transactions and balances with Key Management Personnel
Nil

NOTE 17: PARENT ENTITY DISCLOSURES

Financial position

	2021 $	2020 $
Assets		
Current assets	**1,608,118**	414,742
Non-current assets	**3,479,318**	1,621,838
Total assets	**5,087,436**	2,036,580
Liabilities		
Current liabilities	**144,622**	84,740
Non-current liabilities	**8,911**	-
Total liabilities	**153,533**	84,740
Equity		
Issued capital	**60,669,682**	56,333,191
Reserves	**568,003**	30,141
Accumulated losses	**(56,303,781)**	(54,411,492)
Total equity	**4,933,903**	1,951,840

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 17: PARENT ENTITY DISCLOSURES cont.

Financial performance

	2021	2020
	$	$
Loss for the year	**(1,892,290)**	(470,295)
Other comprehensive loss	**-**	-
Total comprehensive loss	**(1,892,290)**	(470,295)

Global Oil and Gas Limited has not entered into any guarantees in relation to the debts of its subsidiaries. There are no further commitments or contingencies of the Parent Entity.

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

COVID -19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

EP127 Helium & Hydrogen Program

The EP127 Helium and Hydrogen geochemical survey field team was planned to be mobilised and commence the on-ground studies during July 2021, however, due to continued COVID lockdowns across a number of states in Australia and with subsequent quarantine requirements for incoming travellers, the in-field geochemical survey has been further delayed, with a rescheduled date for Q4 2021, subject to any further COVID travel restrictions.

Acquisition of 25% interest in Sasanof Prospect

The Company announced on 7 September 2021 that it had entered into a binding Heads of Agreement (**"HOA"**) with Western Gas (519P) Pty Ltd ("Western Gas") to acquire a 25% interest in its Sasanof Prospect.. The proposed Sasanof-1 exploration well is in exploration permit WA-519-P in Commonwealth water, approximately 207 km northwest of Onslow, Western Australia, and is scheduled to commence drilling in Q1 2022.

The HOA will see GLV fund 50% of the cost of drilling the Sasanof-1 exploration well through a 25% acquisition of the fully paid ordinary shares in Western Gas (519 P) Pty Ltd, the licence holder for WA-519-P as well as a 25% economic interest in portions of the Sasanof Prospect in adjoining Western Gas explorations permits.

Key terms of the binding agreement are:

1. Western Gas and GLV have entered into the HOA for GLV to acquire a 25% interest in Western Gas' Sasanof Prospect through acquiring 25% of Western Gas (519 P) Pty Ltd ("**WG519**"), free from Encumbrances, in accordance with the terms below ("**Transaction**").

2. GLV will subscribe for the 25% interest in WG519 through paying $7,000,000 to WG519 ("**Completion Funds**"), plus the net proceeds from the sale of the 187,500,000 GLV shares ("**Finance Facility**"), to fund 50% of the drilling of the Sasanof Well in accordance with an agreed Budget.

3. At Completion of the Transaction, GLV will issue the following securities to Western Gas Convertible Note Holders in consideration for the cancellation of the $2 million of convertible notes previously issued by Western Gas for the purpose of the Sasanof Prospect pre-drilling funding:

    i. 125,000,000 GLV Shares at a deemed issue price equal to $0.016 per GLV Share ("**Consideration Shares**"); and

    ii. 20,000,000 listed GLV Options exercisable at $0.02 each on or before 15 December 2022 ("**Consideration Option**");

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18: EVENTS AFTER THE REPORTING PERIOD cont

4. In addition, at Completion of the Transaction (and subject to GLV obtaining the necessary shareholder approval), GLV will issue to Western Gas (and/or its nominees) 187,500,000 performance rights, which each convert into GLV Shares (on a one for one basis) subject to the commencement and spudding of an exploration well on the Sasanof Prospect ("**Performance Rights**").

5. Finance Facility: GLV will issue 187,500,000 ordinary shares as a Finance Facility. The GLV shares will be issued to a unrelated broker (who is an AFSL holder) who will sell the shares on GLV's behalf either on-market or off-market (to parties who are not related parties of GLV or Western Gas) for the best price possible before 31 December 2021. The shares under the Finance Facility will be sold on the instructions of GLV – to parties and at a price which GLV approves on a case by case basis. All the net proceeds from the Finance Facility will go to WG519 to finance the well and be cost recoverable by GLV from WG519 (ahead of any joint venture distributions) future revenues or disposal.

6. Completion will be subjected to the following conditions precedent being satisfied (or waived):

   a. (Due Diligence) GLV being satisfied with the findings of the ECRE independent technical report commissioned by GLV in respect of the Sasanof Prospect on or before 15 September 2021;

   b. (Formal Agreements) negotiation, agreement and execution of the Formal Agreements which shall be consistent with, but may be more expansive and precise than, the HOA, noting that the WG519 Shareholders Agreement, must be negotiated and entered into as part of the Formal Agreements;

   c. (Approvals) the Parties obtaining all necessary government, regulatory, shareholder and third-party approvals, in respect of the Project and the Transaction. GLV confirms that it will be seeking shareholder approval pursuant to ASX Listing Rule 10.1 in respect of the Transaction, and the notice of meeting will include an independent expert report;

   d. (Capital Raising) GLV undertaking (to its satisfaction and subject to all necessary shareholder and regulatory approvals) a strategic placement to raise up to $11,000,000 ("**Capital Raising**");

   e. (Budget) GLV and Western Gas must jointly develop an agreed budget, which allocates the distribution of the Completion Funds (post Completion) ("**Budget**"). WG519 must strictly apply the Completion Funds in accordance with the Budget which will include pre-drill activities to enable the Sasanof Prospect to be "drill ready" including acquisition of long-lead items, securing a rig slot and finalisation and submission of environmental and regulatory documentation;

   f. (Escrow Deed) execution by Western Gas (and/or its nominees) of such form of restriction agreement with respect to the Performance Rights as may be required by ASX;

   (together, the **Conditions**).

   If the Conditions are not satisfied (or waived in writing) within 90 days of the execution of the HOA or with respect to Condition (a) by the date for satisfaction of that Condition (or such later date(s) as agreed by the parties), the HOA may be terminated by either Party.

7. Capital Raising: The Company has received firm commitments for 687,500,000 fully paid ordinary shares at an issue price of $0.016 each to qualified sophisticated and professional investors, raising up to $11.0 million (before costs) ("**Placement**").

   Tranche 1 of the Placement utilised the Company's existing placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A to issue 187,500,000 ordinary shares which were issued on 17 September 2021. Tranche 2 of the Placement, being 500,000,000 shares, will be issued subject to GLV obtaining all necessary shareholder approvals at a general meeting to take place in the coming months, and subject to completion of the Transaction.

   The Company intends to use the Placement funds to cover the Sasanof earn-in costs (including the Completion Funds), with the remaining funds to be used to further advancing the EP127 prospect, and general working capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18: EVENTS AFTER THE REPORTING PERIOD cont

Subject to the Company obtaining the necessary shareholder approvals at the upcoming shareholder meeting (date yet to be announced), the Company's Directors intend to participate in the Placement on the following basis: Mr Patric Glovac (up to $100,000), Mr Troy Hayden (up to $100,000) and Mr Chris Zielinski ($25,000).

The Placements are being managed by Barclay Wells Pty Ltd ("**Barclays**") who are entitled to a 6% capital raising fee on all monies raised under the Placement, along with a fixed $50,000 Lead Manager Fee.

For capital raising services provided by Barclays (and/or its nominees) as lead manager of the Placement, on successful completion of the Transaction, Barclays (and/or its nominees) will be issued a total of 25,000,000 fully paid ordinary shares and 50,000,000 GLVO options (exercisable at $0.02 each, expiring 15 December 2022), subject to the Company obtaining all necessary shareholder and regulatory approvals.

For services provided as facilitator to the transaction GTT Ventures Pty Ltd (and/or its nominees) ("**GTT**") will be issued a 25,000,000 fully paid ordinary shares, subject to the Company obtaining all necessary shareholder and regulatory approvals.

The Company notes that GLV Director Patric Glovac is also a director and shareholder of GTT.

NOTE 19: AUDITOR'S REMUNERATION

The auditor of Global Oil and Gas Limited is BDO Audit (WA) Pty Ltd. The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Auditors of the Group- BDO and related network firms	**2021**	2020
	$	$
Auditor of the parent entity		
Audit or review of the financial statements	**41,855**	34,031
	41,855	34,031
Taxation and other advisory services		
Taxation	**6,680**	6,055
Corporate advisory services	**10,300**	-
Total services provided by BDO	**58,835**	40,086

DIRECTORS' DECLARATION

1. In the opinion of the directors of Global Oil and Gas Limited (the 'Company'):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year then ended; and
      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

This declaration is signed in accordance with a resolution of the Board of Directors.

P Glovac
Executive Director

Dated 29 September 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Global Oil & Gas Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Global Oil & Gas Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for Equity Accounted Investment

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 8 of the financial report, the Group acquired 20% interest in Goshawk Energy Corporation Pty Ltd ('Goshawk'). The accounting for the equity accounted investment is a key audit matter due to the significance of the investment and the judgements made by the Group, including: • Assessing whether control, joint control, significant influence or no influence exists; • Estimating the fair value of net assets and liabilities acquired; • Estimating the fair value of the purchase consideration which included deferred consideration; and • Determining whether there are any indicators to suggest that the investment in associate could be impaired.	Our procedures included, but were not limited to: • Reviewing the acquisition agreement to understand the key terms and conditions, and confirming our understanding of the transaction with management; • Considering the appropriateness of management's assessment of significant influence over Goshawk and accounting for the interest as an investment in associate; • Reviewing management's calculation of the fair value of consideration paid, including assessment of deferred consideration and agreeing the consideration to supporting documentation; • Reviewing the financial information of the investment in associate including assessing whether the accounting policies were consistent with Global Oil & Gas Limited; • Recalculating the Group's share of equity accounted losses during the year; • Reviewing ASX announcements, Board of Directors meetings minutes to assess for potential indicators of impairment; and • Assessing the adequacy of the related disclosures in Note 8, 1(e), 1(w) the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 16 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Global Oil & Gas Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 29 September 2021

CORPORATE GOVERNANCE STATEMENT

The Company’s Corporate Governance disclosure is available on the Company’s website at: www.globaloilandgas.com.au

ADDITIONAL SECURITIES EXCHANGE INFORMATION

ASX additional information as at 8 September 2021

Number of holders of equity securities 4,939

Ordinary share capital

763,658,572 fully paid ordinary shares are held by individual shareholders.

All issued ordinary shares carry one vote per share.

Listed Options

208,988,542 Listed Options exercise price $0.02 expiry 15 Dec 2022

Distribution of holders of equity securities

	Number of holders	Fully paid ordinary shares
1 – 1,000	691	346,525
1,001 – 5,000	1,034	2,801,804
5,001 – 10,000	506	3,811,175
10,001 – 100,000	1,741	74,086,419
100,001 and over	967	682,612,649
	4,939	763,658,572

Holding less than a marketable parcel	2,936

Distribution of holders of Listed Options

	Number of holders	Listed Options
1 – 1,000	96	37,214
1,001 – 5,000	112	307,081
5,001 – 10,000	49	357,948
10,001 – 100,000	161	6,465,583
100,001 and over	211	201,820,716
	629	208,988,542

	Fully paid ordinary shares	
Substantial shareholders	**% held**	**Number**
Goshawk Holdings Pty Ltd	18.46	38,571,429

ADDITIONAL SECURITIES EXCHANGE INFORMATION cont.

Twenty largest holders of quoted equity securities – fully paid ordinary shares

	Fully paid ordinary shares	
Ordinary shareholders	**Number**	**Percentage**
Goshawk Holdings Pty Ltd	84,555,330	11.07
Citicorp Nominees Pty Ltd	23,875,950	3.13
Mr Yusf Kucukbas <Yasep A/C>	20,000,000	2.62
Mr Roger Blake + Mrs Erica Lynette Blake <The Mandy Super Fund A/C>	15,000,000	1.96
Hix Corp Pty Ltd <Hix Corp A/C>	10,304,545	1.35
Mr David Michael Dislers	10,200,000	1.34
BNP Paribas Noms Pty Ltd and associated accounts	10,001,738	1.31
Ms Jessica Elle Barclay	9,000,000	1.18
Gehrig Investments Pty Ltd <FG9 Superannuation Fund A/C>	8,865,000	1.16
Mr Damien Mario Cifonelli	8,000,000	1.05
Daniel-Philippe Mamadou Blanco	7,142,857	0.94
Ms Cindy Tonkin + Mr Stuart Peter Tonkin <S&C Tonkin SMSF A/C>	7,000,000	0.92
HMG0907 Pty Ltd	6,500,000	0.85
My John Lefroy Mair	6,190,476	0.81
Mr Peter Bird	6,077,657	0.80
ZXZ Nominee Pty Ltd <ZXZ Family A/C>	5,000,000	0.65
JKS group Holdings Pty Ltd <The JKS Group A/C>	4,696,969	0.62
RMI Industries Pty Limited	4,630,718	0.61
Mr Dominic Furfaro + Mrs Josephine Furfaro	4,500,000	0.59
Sawaqed Investments Pty Ltd <S Sawaqed Family A/c>	4,250,000	0.56
	255,791,240	**33.5**

Twenty largest holders of quoted equity securities Listed Options (ASX.GLVO)

Ordinary shareholders	Fully paid ordinary shares Number	Percentage
Goshawk Holdings Pty Ltd	38,571,429	18.46
LDU Pty Ltd <Vesty Super Fund A/C>	7,750,000	3.71
JL and RA Roberts Pty Ltd	7,500,000	3.59
Mr Michael Kenneth Ferdinand	5,500,000	2.63
LDU Pty Ltd <Vesty Super Fund A/C>	5,040,000	2.41
Mr Roger Blake + Mrs Erica Lynette Blake <The Mandy Super Fund A/C>	5,000,000	2.39
Yeoh Super Pty Ltd <Yeoh Super A/C>	3,533,439	1.69
Mrs Judith Suzanne Piggin + Mr Damien Jaye Piggin + Mr Glen Adam Piggin <Piggin Family S/F A/C>	3,258,146	1.56
Mt Zhifeng Chen	3,000,000	1.44
Mr Wayne Robert Aurisch + Miss Samantha Leigh Doyle <Waurisch Super A/C>	3,000,000	1.44
Mr Ronnie Benatar + Mrs Louanne Benatar <Benatar Super Fund A/C>	2,750,000	1.32
LTL Capital Pty Ltd	2,727,272	1.3-
JKS group Holdings Pty Ltd <The JKS Group A/C>	2,696,969	1.29
Mr Roman Eugen Daszkiewicz	2,507,078	1.20
Daniel-Philippe Mamadou Blanco	2,380,952	1.14
Mr Oon Tian Yeoh + Mrs Elzbieta Helena Yeoh	2,361,111	1.13
Mr Peter Bird	2,318,182	1.11
SIS Finance Services Pty Ltd	2,080,584	1.00
Mr John Lefroy Mair	2,063,492	0.99
Mrs Elisa Brunacci	2,000,000	0.96
	106,038,654	**50.74**

Company Secretary

Mrs Anna MacKintosh

On-market buy-back

Currently there is no on-market buy-back of the Company's securities

Registered and principal office

22 Townshend Road
Subiaco WA 6008

Share registry

Advanced Share Registry

SCHEDULE OF TENEMENTS

As at 28 September 2021

Project	Tenement	Nature of Company's Interest
Southern Georgina Basin, Northern Territory	EP 127	100%
Goshawk - Canning Basin, Western Australia	EPA 94	20%
Goshawk - Canning Basin, Western Australia	EPA 126	20%
Goshawk Squadron JV - Canning Basin, Western Australia	EP 499	4%
Goshawk Squadron JV - Canning Basin, Western Australia	STP-EPA 162	4%
Goshawk Squadron JV - Canning Basin, Western Australia	STP-EPA 163	4%
Goshawk Squadron JV - Canning Basin, Western Australia	STP-EPA 166	4%
Goshawk Squadron JV - Canning Basin, Western Australia	STP-EPA 167	4%