



**ABN 68 064 120 896**

**Interim Financial Report  
for the Half Year ended  
31 December 2015**

## DIRECTORS' REPORT



The Directors of Global Petroleum Limited present their report together with the condensed consolidated financial statements of the Group comprising of Global Petroleum Limited ("the Company" or "Global" or "Parent") and the entities it controlled for the half year ended 31 December 2015 ("Consolidated Entity" or "Group").

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### Letter to the Shareholders

We are pleased to present to you the Global Interim Financial Report for the half year ended 31 December 2015.

Oil prices in the second half of 2015 have remained weak, with the Brent price averaging US\$48.00 per barrel.

During the period the Company's Petroleum Exploration Licence covering two Blocks, 1910B and 2010A in the Walvis Basin Offshore Namibia, has been extended by the Namibian authorities into Phase 2, which is for a duration of 24 months from 3 December 2015 with a reduced Minimum Work Programme which does not now contain a well commitment. Previously Phase 1 of the Licence was extended for one year until December 2015, in return for an additional work programme, involving further modelling using both seismic and gravity data, which was completed in the period. The results of this combined seismic and gravity work has proved to be very encouraging with regard to the hydrocarbon potential in Global's offshore blocks. Notably the work has increased confidence in a syn-rift oil play in the outboard or deep water region offshore Namibia and the likely presence of both reservoir and source within the Company's blocks. Combined with the existing prospect portfolio within the blocks, this has improved Global's views on the overall prospectivity of the acreage. The Company has now commenced the seismic re-processing part of the new Minimum Work Programme.

The Company continues to progress the process for award of its four exploration applications offshore Italy.

### Financial

During the half year ended 31 December 2015, the Group recorded a loss after tax of US\$1,287,728 (31 December 2014: loss US\$2,317,830). Cash balances at 31 December 2015 amounted to US\$11,391,676 (30 June 2015: US\$12,707,727). The Group has no debt.

### Board

Following the end of the period, Peter Dighton resigned from the Board due to the increasing demands of his other business interests, to which Mr Dighton wishes to devote more time. The Company has commenced a process to recruit a replacement Non-Executive Director resident in Australia.

### Strategy and Outlook

We believe that the Company has been vindicated in its strategy of de-emphasising frontier exploration, and of being highly selective regarding the type and quality of the assets which might be potential additions to the Company's portfolio. The Board first adopted this strategy in mid-2014, prior to the slide in the oil price which has now continued for 18 months.

It is our belief that it will be very challenging for the smaller Exploration and Production companies to make progress in a large proportion of the exploration licences which they have acquired, in Africa and elsewhere, over the last few years. The frontier acreage secured is often of variable quality, and many of the companies which hold it do not have the funds to carry out even early-stage exploration operations. Moreover, the larger independents and majors who would normally be expected to farm-in to fund drilling have cut their exploration budgets to significantly lower levels – and when they do return with the impetus of an improvement in the commodity price, they can be expected to be highly selective with regard to exploration opportunities.

Whilst it is frustrating that the Company has not yet completed a transformative deal, we would reassure shareholders that we have been very active in discussions with potential counterparties. Our available cash puts us in a very strong position compared to many of our peers, but the ability to raise further funds from conventional market sources is extremely limited. This is a major inhibiting factor in our evaluation of opportunities, which often require further capital either as a component of, or immediately post an acquisition.

## DIRECTORS' REPORT



Many of our peers and some larger companies have little remaining cash and limited access to new finance, and a significant proportion also have debt. This being the case, we expect to have no shortage of potential counterparties with whom to engage.

A handwritten signature in blue ink, appearing to read "John van der Welle".

John van der Welle  
Chairman

A handwritten signature in blue ink, appearing to read "Peter Hill".

Peter Hill  
Chief Executive Officer

## 1. OPERATING AND FINANCIAL REVIEW

### *Namibian Project*

The Namibian Project consists of an 85% participating interest in Petroleum Exploration Licence Number 29 ("Licence") covering Offshore Blocks 1910B and 2010A in the Republic of Namibia. The Licence, issued on 3 December 2010, covers 11,730 square kilometres and is located in offshore Namibia in water depths ranging from 1,300 metres to 3,000 metres (Refer Figure 1).

The Initial Exploration Period of the Licence expired in December 2014, and Global fulfilled its corresponding work obligations approximately halfway through the initial four year term. They included reinterpretation of 2,800 kilometres of purchased seismic, and commissioning a high resolution 2D seismic acquisition programme of approximately 2,000 kilometres over the acreage. The new data confirmed the presence of two large structures and other potential leads. Accordingly, the Company decided to seek a partner for the next phase of exploration activity on its acreage, commencing with 3D seismic. This ultimately proved unsuccessful given recent mixed drilling results both in Namibia and Atlantic margin frontier plays generally, coupled with the low oil price environment having negatively affected industry and market sentiment. Inevitably, this had a bearing on farm-out processes in Namibia.

Of the wells drilled offshore Namibia, Global regards the HRT operated Wingat-1 well as being the most significant in that liquid hydrocarbons were recovered from the Aptian interval, thus establishing for the first time the presence of a source rock actively generating oil in the Walvis Basin.

Global Petroleum also remains optimistic about the potential of its Namibian blocks given the technical differentiation between the prospectivity on its blocks and the target drilled by Repsol in the neighbouring block in mid-2014 - Welwitschia-1A. Notwithstanding the relative proximity of the assets, the great majority of the prospectivity in Global's acreage is mapped in older sediments. The deeper structures were not reached by the Welwitschia-1A well. Therefore, the significant potential of these deeper traps and reservoirs remains untested.

The Company agreed with the Namibian Ministry of Mines and Energy ("MME") a 12 month extension of the Initial Exploration Period of the Licence, to December 2015, on the basis of an agreed work programme which entailed further interpretation work on existing seismic data. The results of this combined seismic and gravity work has provided further encouragement with regard to the hydrocarbon potential in Global's offshore blocks. Notably the work has increased confidence in a syn-rift oil play in the outboard or deep water region offshore Namibia and the likely presence of both reservoir and source within the Company's blocks. Combined with the existing prospect portfolio within the blocks, this has improved Global's views on the overall prospectivity of the acreage. This improved view on prospectivity encouraged the Company to apply successfully to the MME for an extension into Phase 2 of the Licence ('First Renewal Exploration Period'), having a duration of 24 months to December 2017, on the basis of a revised Minimum Work Programme which involves:

1. The reprocessing of all existing 2D seismic lines across that portion of the Licence Area which is retained following the mandatory 50% relinquishment; and
2. Acquisition of 800km of long offset 2D over the retained acreage. The reprocessed existing 2D data will be used to assist with the design and location of the new survey.

Accordingly, there is now no well commitment during the two year term of the Renewal Period.

The Company's wholly owned subsidiary, Jupiter Petroleum (Namibia) Limited, remains operator with an 85% interest in the two blocks, with partners NAMCOR and Bronze Investments Pty Ltd holding 10% and 5% respectively, both as carried interests.

## 1. OPERATING AND FINANCIAL REVIEW (continued)

### Namibian Project (continued)

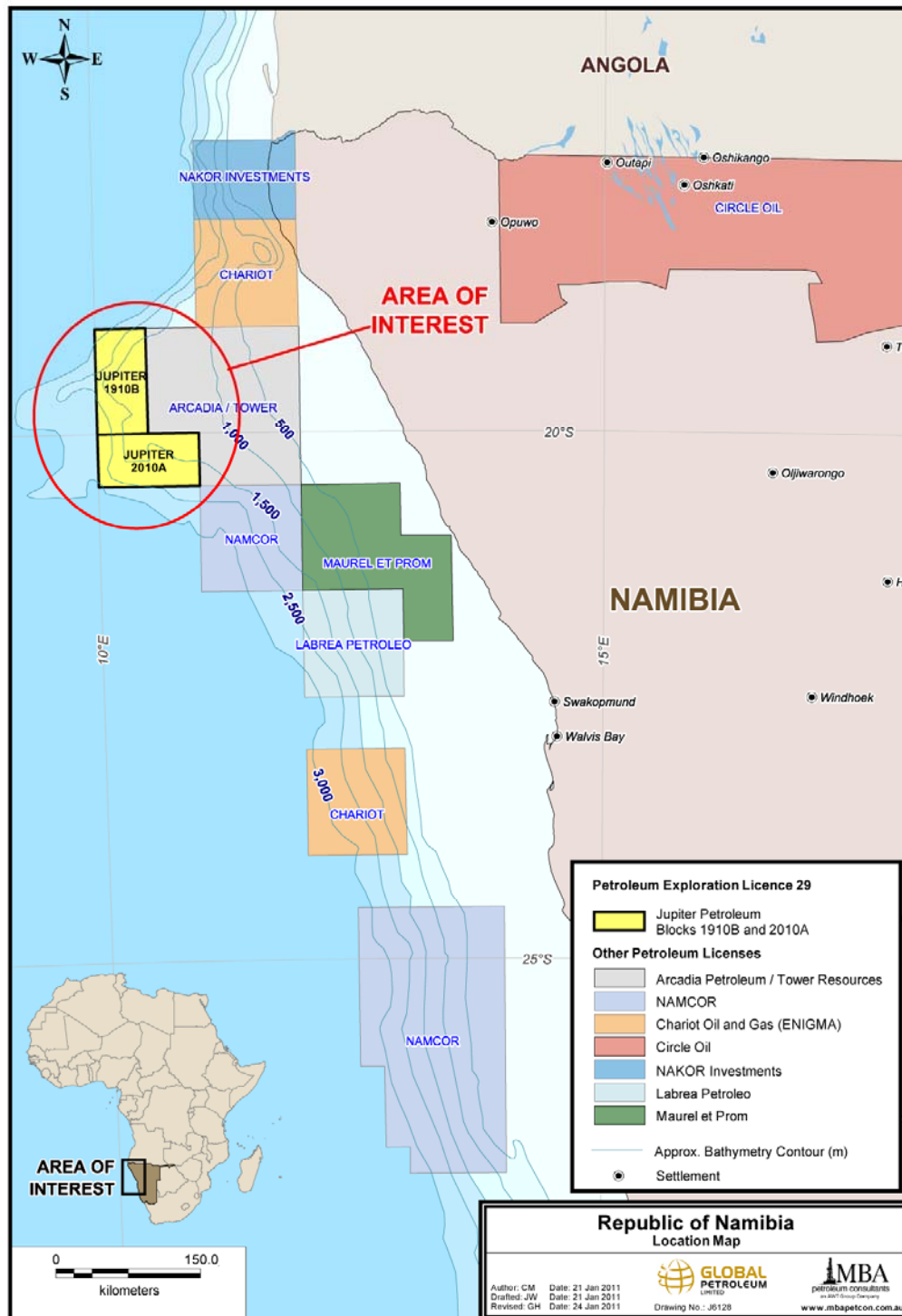
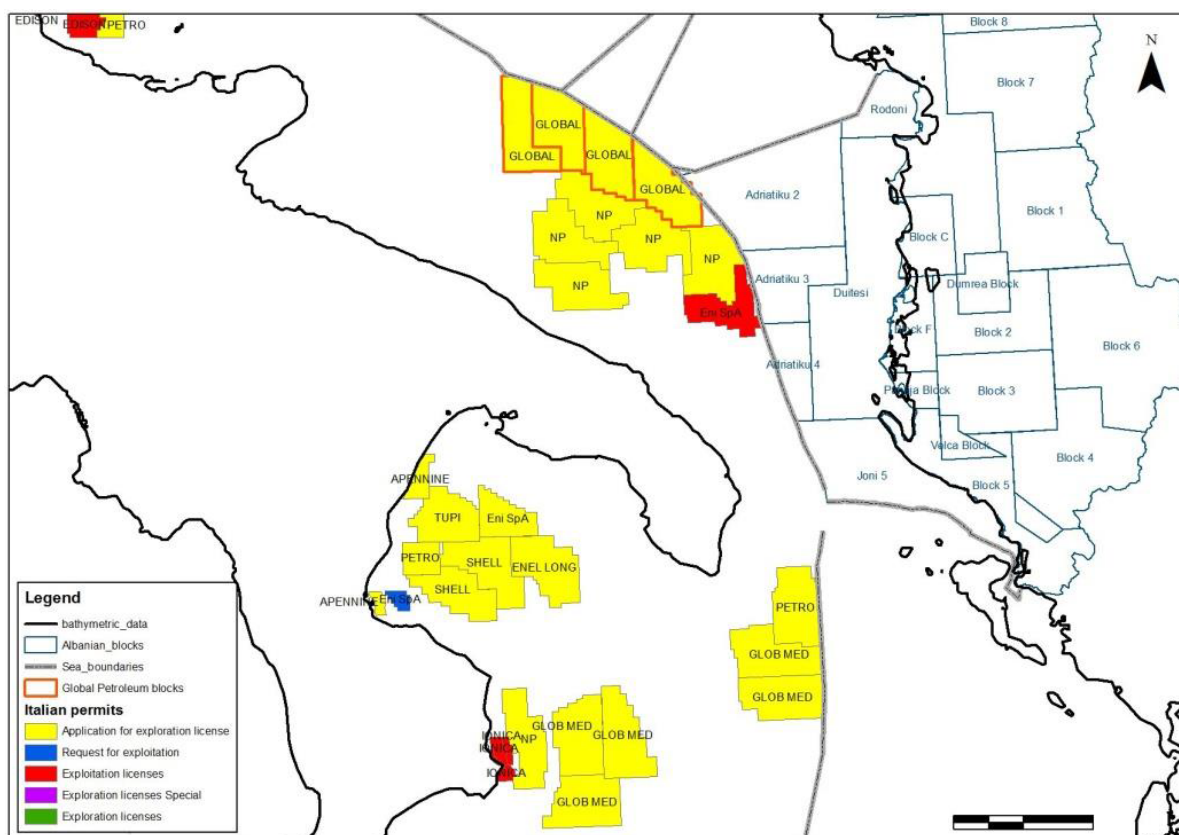


FIGURE 01

## 1. OPERATING AND FINANCIAL REVIEW (continued)

### *Permit Applications in the Southern Adriatic, Offshore Italy*

In August 2013, the Company submitted an application and proposed work programme and budget to the Italian Ministry of Economic Development for four exploration areas offshore Italy (the "Permit Applications"). In accordance with Italian offshore regulations, Global had to meet certain technical and financial requirements. The Permit Applications were then published on 30 September 2013 in the Official Bulletin allowing other competitive bids to be made over the subsequent three months. No such bids were received and the Company submitted the relevant documentation at the end of May 2014 in relation to environmental impact. The precise timetable for final award of the four Permits is dependent upon a satisfactory outcome to this process which is continuing, and upon subsequent formalities in accordance with Italian legislation.



The southern Adriatic is currently undergoing a significant new phase of oil and gas exploration. There have been a number of recent applications in the Adriatic close to the Permit Applications. Adjacent to Italian waters, Montenegro held a licensing round in 2014, with Croatia following suit thereafter. Seismic acquisition companies have begun large, multi-client 2D acquisition programmes across the entire basin, from Italy to Croatia. In 2013 Shell and Petromanas announced the Shiprag discovery onshore Albania, which is thought to be linked to the same petroleum source rock and similar reservoir to some of those identified in the offshore Adriatic.



### 1. OPERATING AND FINANCIAL REVIEW (continued)

#### Business Development

Global remains in a strong financial position from which to fund work activity on its Namibian acreage, its Italian application interests (subject to award), and to implement a change of focus through acquisition. With regard to the wide range of potential new opportunities which Global has reviewed over the last months, some common factors have emerged: many counterparties have little cash and very limited access to capital, and a lack of capital for E&P projects exists generally. The Company's cash position therefore puts it in an advantageous position compared to many peers, but in order to create value in potential deals it is necessary to have visibility as to the availability of funds to finance new projects following an acquisition. Consistent with that strategy the Company has been involved in a number of detailed negotiations with counterparties holding appropriate assets. The structural issues with regard to finance mentioned above have proved to be a major hindrance in concluding transactions. Furthermore, even the most optimistic forecasts do not predict a return in the near-term to oil prices at the levels which prevailed in the first half of 2014. This being the case, it is apparent that potential acquisition counterparties are becoming increasingly realistic with regard to the terms at which they will be able to transact. However, the Company remains extremely selective regarding the quality of assets it would consider investing in, and the terms of such investment.

#### *Presentation currency*

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

### 2. DIRECTORS

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

#### **Non-Executive**

Mr John van der Welle - Chairman

Mr Peter Blakey

Mr Damien Cronin

Mr Peter Dighton – (resigned 25 January 2016)

Mr Peter Taylor

#### **Executive**

Mr Peter Hill - Managing Director and Chief Executive Officer

### 3. ASX LISTING RULE 5.4.3

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

- The Company holds Petroleum Exploration Licence Number 29 covering Offshore Blocks 1910B and 2010A in the Republic of Namibia.
- No petroleum tenements were acquired by the Company during the review period. During the review period the Company surrendered its Juan de Nova Est Permit in the French Dependency of Juan de Nova.
- No beneficial percentage interests in joint venture, farm-in or farm-out agreements were acquired or disposed of by the Company during the review period.



## DIRECTORS' REPORT



### 4. SUBSEQUENT EVENTS

Following the end of the reporting period, Peter Dighton resigned from the Board due to the increasing demands of his other business interests, to which Mr Dighton wishes to devote more time. The Company has commenced a process to recruit a replacement Non-Executive Director resident in Australia.

There has not arisen, in the interval between the end of the half year and the date of this report, any other item, transaction or event of a material nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs in subsequent financial periods.

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

The lead auditor's independence declaration is set out on page 10 and forms part of the Directors' Report for the six month period ended 31 December 2015.

Signed in accordance with a resolution of the directors:

A handwritten signature in dark ink, appearing to read "Damien Cronin", followed by a horizontal line.

**DAMIEN CRONIN**  
Director and Company Secretary

10 March 2016



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

To: the directors of Global Petroleum Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2015 there have been:

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

*KPMG*

KPMG

*Jason Adams*

Jason Adams  
*Partner*

Brisbane

10 March 2016

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2015



	For the six months ended 31 December		
	Note	2015 US\$	2014 US\$
<b>Continuing operations</b>			
Salaries and employee benefits expense		(268,797)	(382,926)
Administrative expenses		(463,941)	(555,949)
Other expenses		(251,867)	(344,297)
Business development expenses	8	(111,164)	(312,592)
Exploration expenditure expensed	8	(91,749)	(179,434)
Foreign exchange gain (loss)		(106,955)	(521,633)
Equity based remuneration	7	(16,357)	(67,775)
<b>Results from operating activities</b>		<b>(1,310,830)</b>	<b>(2,364,606)</b>
Finance income		23,102	46,344
<b>Net finance income</b>		<b>23,102</b>	<b>46,344</b>
<b>Profit (loss) before tax</b>		<b>(1,287,728)</b>	<b>(2,318,262)</b>
Tax benefit (expense)		-	432
<b>Profit (loss) from continuing operations after tax</b>		<b>(1,287,728)</b>	<b>(2,317,830)</b>
<b>Profit (loss) for the period</b>		<b>(1,287,728)</b>	<b>(2,317,830)</b>
<b>Other comprehensive income</b>			
Foreign currency translation differences - foreign operations		-	-
<b>Other comprehensive income (loss) for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the period</b>		<b>(1,287,728)</b>	<b>(2,317,830)</b>
<b>Earnings per share</b>			
Basic earnings (loss) per share (cents)		(0.65)	(1.16)
Diluted earnings (loss) per share (cents)		(0.65)	(1.16)

The Condensed Consolidated Statement of Comprehensive Income is to be read in conjunction with the attached notes to the Condensed Consolidated Interim Financial Statements.

**CONDENSED CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2015



	Note	31 December 2015 US\$	30 June 2015 US\$
<b>Assets</b>			
Cash and cash equivalents		11,391,676	12,707,727
Trade and other receivables		149,120	150,386
Prepayments		53,922	117,711
<b>Total current assets</b>		<b>11,594,718</b>	<b>12,975,824</b>
Plant and equipment	5	13,818	15,354
Exploration assets	8	51,450	-
<b>Total non-current assets</b>		<b>65,268</b>	<b>15,354</b>
<b>TOTAL ASSETS</b>		<b>11,659,986</b>	<b>12,991,178</b>
<b>Liabilities</b>			
Trade and other payables		186,924	246,542
Current tax payable		-	-
Provisions		93,958	94,161
<b>Total current liabilities</b>		<b>280,882</b>	<b>340,703</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>280,882</b>	<b>340,703</b>
<b>NET ASSETS</b>		<b>11,379,104</b>	<b>12,650,475</b>
<b>Equity</b>			
Issued share capital		39,161,938	39,145,581
Reserves		1,423,555	1,423,555
Accumulated losses		(29,206,389)	(27,918,661)
<b>TOTAL EQUITY</b>		<b>11,379,104</b>	<b>12,650,475</b>

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the attached notes to the Condensed Consolidated Interim Financial Statements.

**CONDENSED CONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY**  
For the six months ended 31 December 2015



	Attributable to owners of the Company				
	Share Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US\$	US\$	US\$	US\$	US\$
<b>Six months ended 31 December 2015</b>					
<b>Balance at 1 July 2015</b>	<b>39,145,581</b>	<b>836,728</b>	<b>586,827</b>	<b>(27,918,661)</b>	<b>12,650,475</b>
Issued shares (refer Note 7)	16,357	-	-	-	16,357
<b>Total comprehensive profit(loss) for the period:</b>					
Net profit(loss) for the period	-	-	-	(1,287,728)	(1,287,728)
<b>Other comprehensive profit(loss):</b>					
Foreign exchange translation differences	-	-	-	-	-
<b>Total comprehensive profit(loss) for the period</b>	<b>16,357</b>	<b>-</b>	<b>-</b>	<b>(1,287,728)</b>	<b>(1,271,371)</b>
<b>Balance at 31 December 2015</b>	<b>39,161,938</b>	<b>836,728</b>	<b>586,827</b>	<b>(29,206,389)</b>	<b>11,379,104</b>
<b>Six months ended 31 December 2014</b>					
<b>Balance at 1 July 2014</b>	<b>39,145,581</b>	<b>697,596</b>	<b>316,416</b>	<b>(23,448,824)</b>	<b>16,710,769</b>
Issue or modification of options	-	67,775	-	-	67,775
<b>Total comprehensive profit(loss) for the period:</b>					
Net profit(loss) for the period	-	-	-	(2,317,830)	(2,317,830)
<b>Other comprehensive profit(loss):</b>					
Foreign exchange translation differences	-	-	-	-	-
<b>Total comprehensive profit(loss) for the period</b>	<b>-</b>	<b>67,775</b>	<b>-</b>	<b>(2,317,830)</b>	<b>(2,250,055)</b>
<b>Balance at 31 December 2014</b>	<b>39,145,581</b>	<b>765,371</b>	<b>316,416</b>	<b>(25,766,654)</b>	<b>14,460,714</b>

Amounts are stated net of tax

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the attached notes to the Condensed Consolidated Interim Financial Statements.

**CONDENSED CONSOLIDATED  
STATEMENT OF CASH FLOWS**  
For the six months ended 31 December 2015



	For the six months ended 31 December	
	2015 US\$	2014 US\$
<b>Cash flows from operating activities</b>		
Cash paid to suppliers and employees	(1,226,838)	(1,459,543)
Interest received	23,102	38,956
Refunds (payments) of GST	151,110	171,534
Tax refund	-	9,242
<b>Net cash provided by (used in) operating activities</b>	<b>(1,052,626)</b>	<b>(1,239,811)</b>
<b>Cash flows from investing activities</b>		
Exploration and business development expenditure	(254,363)	(628,171)
<b>Net cash from (used in) investing activities</b>	<b>(254,363)</b>	<b>(628,171)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,306,989)</b>	<b>(1,867,982)</b>
Cash and cash equivalents at 1 July	12,707,727	16,608,591
Effects of exchange rate fluctuations on cash and cash equivalents	(9,062)	(521,633)
<b>Cash and cash equivalents at 31 December</b>	<b>11,391,676</b>	<b>14,218,976</b>

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the attached notes to the Condensed Consolidated Interim Financial Statements.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS



For the six months ended 31 December 2015

## 1. REPORTING ENTITY

Global Petroleum Limited ("Global") is a company domiciled in Australia. Global is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange and the London Stock Exchange (AIM). The condensed consolidated interim financial statements of the Company as at, and for the six months ended, 31 December 2015 comprises the Company and its controlled entities (together referred to as the "Group"). The Group is a for-profit entity and is primarily involved in oil and gas exploration and development.

The consolidated annual financial statements of the Group as at, and for the year ended, 30 June 2015 are available upon request from the Company's registered office at Level 5, Toowong Tower, 9 Sherwood Road, Brisbane, QLD 4066, Australia or at [www.globalpetroleum.com.au](http://www.globalpetroleum.com.au).

## 2. BASIS OF PREPARATION

### Statement of compliance

The condensed consolidation interim financial statements are general purpose financial statements prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with IAS 34 *Interim Financial Reporting*.

Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at, and for the year ended, 30 June 2015. The consolidated interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at, and for the year ended, 30 June 2015.

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 10 March 2016.

### Judgement and estimates

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

Except as noted below, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at, and for the year ended, 30 June 2015.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim financial statements are the same as those applied to the Group's consolidated financial statements as at, and for the year ended, 30 June 2015.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS



For the six months ended 31 December 2015

## 4. SEGMENT INFORMATION

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

Africa – the Group currently holds prospective oil and gas exploration interest's offshore Namibia.

For the six months ended 31 December 2015	Africa		Consolidated	
	2015 US\$	2014 US\$	2015 US\$	2014 US\$
<b>Segment revenue</b>				
External revenue	-	-	-	-
<b>Total revenue</b>	-	-	-	-
<b>Segment result</b>				
Segment result	(91,749)	(212,911)	(91,749)	(212,911)
	(91,749)	(212,911)	(91,749)	(212,911)
Interest income			23,102	46,344
Net foreign exchange gain (loss)			(106,955)	(521,633)
Corporate and administration costs			(1,095,769)	(1,562,287)
Equity based remuneration			(16,357)	(67,775)
<b>Profit (loss) for the period before tax</b>			<b>(1,287,728)</b>	<b>(2,318,262)</b>
Income tax benefit			-	432
<b>Profit (loss) for the 6 month period</b>			<b>(1,287,728)</b>	<b>(2,317,830)</b>

	Africa		Consolidated	
	31 December 2015 US\$	30 June 2015 US\$	31 December 2015 US\$	30 June 2015 US\$
<b>Assets</b>				
Segment assets	84,989	-	84,989	-
Unallocated assets			11,574,997	12,991,178
<b>Consolidated Assets</b>			<b>11,659,986</b>	<b>12,991,178</b>
<b>Liabilities</b>				
Segment liabilities	3,200	-	3,200	-
Unallocated liabilities			277,682	340,703
<b>Consolidated liabilities</b>			<b>280,882</b>	<b>340,703</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2015



## 5. PLANT AND EQUIPMENT

	6 months to 31 December 2015 US\$	12 months to 30 June 2015 US\$
<b>Cost</b>		
Balance at the beginning of period	25,755	25,755
Additions	-	-
Balance at end of period	<b>25,755</b>	<b>25,755</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of period	10,401	6,563
Depreciation for the period	1,536	3,838
Balance at end of period	<b>11,937</b>	<b>10,401</b>
Carrying amount at end of period	<b>13,818</b>	<b>15,354</b>

## 6. FINANCIAL INSTRUMENTS

The fair value of the financial assets and financial liabilities, together with the carrying amounts in the condensed consolidated statement of financial position, are as follows.

	Carrying amount US\$	Fair Value US\$
<b>31 December 2015</b>		
<b>Current financial assets</b>		
Trade, other receivables and prepayments	203,042	203,042
Cash and cash equivalents	11,391,676	11,391,676
<b>Current financial liabilities</b>		
Trade and other payables	186,924	186,924

	Carrying amount US\$	Fair Value US\$
<b>30 June 2015</b>		
<b>Current financial assets</b>		
Trade, other receivables and prepayments	268,097	268,097
Cash and cash equivalents	12,707,727	12,707,727
<b>Current financial liabilities</b>		
Trade and other payables	246,542	246,542

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS



For the six months ended 31 December 2015

## 7. EQUITY SECURITIES ISSUED

### Discretionary grant of shares

On 16 December 2015, the Company made a discretionary grant of shares, following shareholder approval at the AGM on 17 November 2015, to the Directors in lieu of Directors' fees. 729,712 ordinary shares were issued fully paid.

This share grant was accounted for as a share based payment and this resulted in US\$16,357 being recognised as an expense in the half year period. (2014: US\$67,775 was recognised as an expense arising from options granted during the half year period.)

6 months to 31 December 2015	Number of shares	Value of shares
Peter Hill	452,498	AU\$14,027 (US\$10,143)
John van der Welle	53,272	AU\$1,651 (US\$1,194)
Peter Blakey	38,080	AU\$1,181 (US\$854)
Damien Cronin	101,600	AU\$3,149 (US\$2,277)
Peter Dighton	46,182	AU\$1,432 (US\$1,035)
Peter Taylor	38,080	AU\$1,181 (US\$854)
<b>Total</b>	<b>729,712</b>	<b>AU\$ 22,621 (US\$16,357)</b>

### Options cancelled and issued

No options were issued or cancelled in the 6 month period to 31 December 2015. Options issued during the half year end 31 December 2014 are disclosed in note 9.

## 8. EXPLORATION ASSETS

	6 months to 31 December 2015 US\$	12 months to 30 June 2015 US\$
Balance at beginning of period	-	348,293
Expenditure incurred and capitalised during the period	51,450	-
Impairment of assets	-	(354,695)
Foreign currency movement	-	6,402
<b>Balance at end of period</b>	<b>51,450</b>	<b>0</b>

During the half-year period the Group has recommenced capitalising exploration costs relating to its Namibian Exploration Licence 29. This follows the approval of the Deed of Amendment to Exploration Licence 29 on 16 October 2015, which extended the term of the licence from December 2015 until December 2017, and reduced the Group's minimum expenditure commitments during the renewal period (refer Note 12).

Expenditure incurred in the period on the licence prior to its renewal on 16 October 2015 of US\$91,749 (31 Dec 2014: US\$179,343) was expensed. This follows the Group's decision to impair fully the Namibian assets in the financial statements for the year ended 30 June 2014, due to the disappointing results of drilling on neighbouring licences and its effect on the Group's farm-out process at that time. Expenditure since 30 June 2014 was expensed as incurred while the Group assessed its future plans for the project and completed its negotiations with the Namibian authorities on the terms of the renewal extension period.

An amount of US\$111,164 (31 Dec 2014: US\$312,592) was spent on business development, which relates to the Group's activities in assessing opportunities in the oil and gas sector.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2015



## 9. SHARE BASED PAYMENTS

Other than the grant of shares disclosed in Note 7, no other share based payments were made during the 6 month period to 31 December 2015. No options were issued, excised, or cancelled in this period.

### Summary of share options granted to key management personnel

	Number of Options	Grant date	Fair Value per option at grant date AU\$ (US\$)	% Cancelled /Expired in year	Exercise date	Exercise Price AU\$	Vesting date
Mr P Hill	3,000,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	27 November 2014
Director	3,000,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	23 June 2015
Mr P Dighton	300,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	27 November 2014
Director							
Mr D Cronin	300,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	27 November 2014
Director							
Mr J van der Welle	500,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	27 November 2014
Director	500,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	23 June 2015

The fair value of the options was determined using the Black Scholes option pricing model or the Binomial options pricing model. The expected volatility of the options was calculated using the Hoadley's volatility calculator for a 5 year period, using data extracted from Bloomberg. For the purpose of the valuations above the future estimated volatility level of 60% (2014: 65%) was used in the pricing model.

### Reconciliation of outstanding share options

The number and weighted average exercise prices of the share options under the share option scheme are as follows:

	Number of options 2015	Weighted average exercise prices 2015 AU\$	Number of options 2014	Weighted average exercise price 2014 AU\$
Outstanding at 1 July	8,035,000	0.078	8,060,000	0.310
Cancelled during the period	-	-	(6,600,000)	0.320
Re-granted during the period	-	-	6,600,000	0.065
Granted during the period	-	-	1,000,000	0.065
Options exercised during the period	-	-	-	-
Options expired during the period	-	-	(400,000)	0.250
Outstanding at 31 December	8,035,000	0.078	8,660,000	0.090
Exercisable at 31 December	8,035,000	0.078	5,160,000	0.110

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS



For the six months ended 31 December 2015

## 10. RELATED PARTIES

### Ultimate parent

Global Petroleum Limited is the ultimate parent entity of the Group.

### Key management personnel

The key management personnel of the Group during or since the end of the period were as follows:

#### Directors

Mr John van der Welle	Non-Executive Chairman
Mr Peter Hill	Managing Director and Chief Executive Officer
Mr Peter Blakey	Non-Executive Director
Mr Damien Cronin	Non-Executive Director and Company Secretary
Mr Peter Dighton	Non-Executive Director (resigned 25 January 2016)
Mr Peter Taylor	Non-Executive Director

### Key management personnel compensation

	6 months to 31 December 2015 US\$	6 months to 31 December 2014 US\$
Short-term employee benefits	270,001	336,776
Equity based payments	16,357	67,775
Post-employment benefits	8,386	25,692
<b>Total compensation</b>	<b>294,744</b>	<b>430,243</b>

### Individual director and executive compensation disclosure

Information regarding individual director and executive compensation in the form of equity instruments is provided in Notes 7 and 9. Apart from the details disclosed in this note, no director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at period-end.

2015	N° shares held at 1 July 2015	Share issue	Acquisitions/ (Disposals)	N° shares held at 31 Dec 2015
<b>Directors</b>				
Mr J van der Welle	-	53,272	-	53,272
Mr P Hill	710,000	452,498	-	1,162,498
Mr P Blakey	40,979,426	38,080	-	41,017,506
Mr P Taylor	41,625,065	38,080	-	41,663,145
Mr P Dighton	40,000	46,182	-	86,182
Mr D Cronin	-	101,600	-	101,600

2014	N° shares held at 1 July 2014	Share issue	Acquisitions/ (Disposals)	N° shares held at 31 Dec 2014
<b>Directors</b>				
Mr J van der Welle	-	-	-	-
Mr P Hill	710,000	-	-	710,000
Mr P Blakey	41,011,761	-	-	41,011,761
Mr P Taylor	42,768,327	-	-	42,768,327
Mr P Dighton	40,000	-	-	40,000
Mr D Cronin	-	-	-	-

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS



For the six months ended 31 December 2015

## 10. RELATED PARTIES (continued)

### Options and rights over equity instruments

Other than disclosed in Note 9, no options were held by key management personnel or related parties during the period ended 31 December 2015. Other than disclosed in Note 9, no options were held by key management personnel or related parties during the period ended 31 December 2014.

### Other key management personnel transactions

A number of directors, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company or its controlled entities in the reporting period.

During the period the Company paid US\$31,283 (2014: US\$39,001) to TM Services Limited, a company controlled by Mr P Taylor and Mr P Blakey, for administrative and technical assistance, and US\$ Nil (2014: US\$14,611) to Law Strategies Pty Ltd, a company controlled by Mr P Dighton for the provision of an Australian office to the Company. The Company also paid Law Strategies Pty Ltd US\$ Nil (2014: US\$20,112) for legal services and US\$10,289 (2014: US\$20,820) to Damien Cronin Pty Ltd trading as Law Projects, a company controlled by Mr D Cronin, for company secretarial and other services. Consultancy fees were also paid to Mr P Taylor and Mr P Blakey, of US\$ Nil each (2014: US\$13,625 each). The Company also paid Northlands Advisory Services Limited, a company controlled by Mr J van der Welle, US\$19,378 (2014: US\$27,811) for consultancy services.

## 11. CONTINGENCIES

Indemnities have been provided to directors and certain executive officers of the Company in respect of liabilities to third parties arising from their positions, except where the liability arises out of conduct involving a lack of good faith. No monetary limit applies to these agreements and there are no known obligations outstanding at 31 December 2015 and 31 December 2014.

## 12. CAPITAL AND JOINT VENTURE COMMITMENTS

### Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Consolidated Entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various foreign governments where exploration tenements are held. These obligations are subject to renegotiation when application for a tenement is made and at other times. These obligations are not provided for in the financial statements. Financial commitments for subsequent periods can only be determined at future dates, as the success or otherwise of exploration programmes determines courses of action allowed under options available in tenements.

#### *Namibian Petroleum Exploration Licence*

Jupiter Petroleum (Namibia) Limited, a 100% owned subsidiary of the Group, holds prospective oil and gas exploration interests in offshore Namibia. In order to maintain current rights of tenure to the exploration licenses, Global is required to perform minimum exploration work to meet the minimum expenditure requirements specified in the Namibian Petroleum Exploration License. The obligations (subject to application for, and granting of, renewal in the case of the First and Second Renewal Periods) include:

- (a) **Initial Exploration Period** (First four years of Licence commencing on 3 December 2010. On 22 August 2014 the Namibian Government extended only this Initial Exploration Period by 12 months to 3 December 2015):

Undertake geological, geochemical, geophysical and related studies and review all existing gravity and magnetic data, and other available information, including the purchase of existing relevant and reasonable quality seismic data, and acquire process and interpret a minimum of 1,000 kms of 2-D seismic data. Minimum exploration expenditure for the Initial Exploration Period: US\$1 million. Over US\$3 million was spent by Jupiter during this period.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS



For the six months ended 31 December 2015

## 12. CAPITAL AND JOINT VENTURE COMMITMENTS (continued)

### Exploration expenditure commitments (continued)

#### *Namibian Petroleum Exploration Licence*

(b) **First Renewal Exploration Period** (Two years from 3 December 2015):

On 16 October 2015 the Ministry of Mines and Energy approved a two year renewal period to run until 3 December 2017. They also agreed a 50% relinquishment of the license area. Minimum exploration expenditure for the First Renewal Exploration Period:

- The reprocessing of existing 2D seismic lines across that portion of the License Area which is retained following the mandatory 50% relinquishment (approximate budget cost US\$0.2 million); and
- Acquisition of 800km of long offset 2D over the retained acreage. The reprocessed existing 2D data will be used to assist with the design and location of the new survey.(approximate budget cost US\$1.5 million)

(c) **Second Renewal Period** (Two years from 3 December 2017):

Acquisition, processing and interpretation of additional seismic data (if necessary) and the drilling of one exploration well. Minimum exploration expenditure for the Second Renewal Exploration Period: US\$20 million, or US\$21 million if new seismic is required.

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

## 13. SUBSEQUENT EVENTS

There has not arisen, in the interval between the end of the half year and the date of this report, any item, transaction or event of a material nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs in subsequent financial periods.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2015



In the opinion of the directors of Global Petroleum Limited ("the Company"):

1. the condensed consolidated interim financial statements and notes, set out on pages 11 to 22 are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the six month period ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

A handwritten signature in dark ink, appearing to read "Damien Cronin", with a long horizontal stroke extending to the right.

**DAMIEN CRONIN**  
Director and Company Secretary

10 March 2016



## **Independent auditor's review report to the members of Global Petroleum Limited**

We have reviewed the accompanying consolidated interim financial report of Global Petroleum Limited which comprises the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the interim period ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

### *Directors' responsibility for the interim financial report*

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express a conclusion on the consolidated interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the consolidated interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Global Petroleum Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### *Independence*

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



### *Conclusion*

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*KPMG*

KPMG

A handwritten signature in black ink, appearing to read 'J Adams'.

Jason Adams  
*Partner*

Brisbane

10 March 2016

## CORPORATE DIRECTORY



Directors	<p>Mr John van der Welle      Non-Executive Chairman          Mr Peter Taylor          Non-Executive Director          Mr Peter Blakey          Non-Executive Director          Mr Peter Hill              Managing Director and Chief Executive Officer          Mr Peter Dighton        Non-Executive Director - (resigned 25 January 2016)          Mr Damien Cronin       Non-Executive Director</p>
Company Secretary	Mr Damien Cronin
Registered and Principal Office	<p>Level 5, Toowong Tower          9 Sherwood Road          Brisbane QLD 4066, Australia</p> <p>Telephone                    +61 7 3310 8732          Facsimile                    +61 7 3310 8823</p>
UK Office	<p>11 Buckingham Palace Road          London SW1W 0SR, United Kingdom</p> <p>Telephone                    +44 207 867 8600          Facsimile                    +44 207 569 1699</p>
Website	<a href="http://www.globalpetroleum.com.au">www.globalpetroleum.com.au</a>
Email	info@glo-pet.com
Solicitors	McCullough Robertson
Auditor	KPMG, Brisbane
Bankers	Barclays Bank Limited
Stock Exchange Listing	<p>Australian Securities Exchange (Symbol: GBP)          Home Exchange – Sydney Office          Australia Square          Level 6, 123 George Street          Sydney NSW 2000, Australia</p> <p>AIM market of the          London Stock Exchange (Symbol: GBP)          10 Paternoster Square          London EC4M 7LS, United Kingdom</p>
ASX/AIM Code	GBP – Fully paid ordinary shares
Share Register	<p>Computershare Investor Services Pty Ltd          117 Victoria Street          West End QLD 4101, Australia</p> <p>Telephone                    +61 7 3237 2100          Facsimile                    +61 7 3237 2152</p> <p>Computershare Investor Services PLC          The Pavilions, Bridgewater Road          Bristol BS99 7NH, United Kingdom</p> <p>Telephone                    +44 870 889 3105          Facsimile                    +44 870 703 6106</p>