GLOBAL PETROLEUM LIMITED

ABN 68 064 120 896

Interim Financial Report for the Half Year Ended 31 December 2013

CORPORATE DIRECTORY

Directors
Mr Robert Arnott - appointed Non-Executive Chairman 4 October 2012, resigned 16 July 2013
Mr Peter Taylor - appointed Acting Non-Executive Chairman 16 July 2013, resigned 10 February 2014
Mr John van der Welle - appointed Non-Executive Chairman 10 February 2014
Mr Peter Blakey
Mr Peter Hill
Mr Peter Dighton
Mr Damien Cronin

Company Secretary
Mr Damien Cronin

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ASX/AIM Code: GBP – Fully paid ordinary shares

Stock Exchange Listings
Australian Securities Exchange(Symbol: GBP)
Home Exchange: Sydney Office
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Alternative Investment Market (AIM) of the London Stock Exchange (Symbol: GBP)

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KPMG
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DIRECTORS' REPORT

The directors of Global Petroleum Limited ("the Company" or "Global") present their report together with the consolidated interim financial report for the six month period ending 31 December 2013 and the auditor's review report thereon.

DIRECTORS

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

Non-Executive

Mr Robert Arnott - appointed Non-Executive Chairman 4 October 2012 – resigned 16 July 2013
Mr Peter Taylor - appointed Acting Non-Executive Chairman 16 July 2013 – resigned as Acting Non-Executive Chairman 10 February 2014
Mr John van der Welle - appointed Non-Executive Chairman 10 February 2014
Mr Peter Blakey
Mr Peter Dighton
Mr Damien Cronin

Executive

Mr Peter Hill- Managing Director and Chief Executive Officer

REVIEW OF OPERATIONS

Operating Results

During the six months ended 31 December 2013, the consolidated group recorded a loss after tax of $1,625,788 (six months ended 31 December 2012: profit of $224,976). In the prior period, the profit was primarily attributable to a write back of the tax provision of $1.4m (see Note 4). During this period, expenditure has slightly increased on the prior period reflecting the Company's commitment to seek new acquisition opportunities.

Board Changes

Mr Rob Arnott resigned as Director and Non-Executive Chairman of the board on 16 July 2013 (appointed on 4 October 2012). As a result of the resignation, Mr P Taylor was appointed Acting Non-Executive Chairman on 16 July 2013. On 10 February 2014, Mr J van der Welle was appointed Non-Executive Chairman and Mr P Taylor resigned as Acting Non-Executive Chairman.

Principal Activities

Namibian Project

Jupiter Petroleum Namibia Limited (a 100% subsidiary of Global) has an 85% interest in and is operator of Namibia Licence 0029 ("Permit") which comprises two contiguous offshore blocks, namely 1910B and 2010A. The Permit was issued in December 2010 and has an initial exploration term of four years for which all work commitment obligations have been fulfilled. There are two extensions to the license of two years each which will require the drilling of one exploration well in each term.

Results of two exploration wells drilled elsewhere in the Walvis Basin have been previously announced by HRT Participapoesem Petroleo S.A. The Wingat-1 well encountered two different organic rich source rocks and for the first time confirmed the presence of a source rock actively generating oil in the Walvis Basin. Four oil samples of light grade oil were recovered from Wingat-1 at the Aptian level. The main objective of the Murombe-1 well was to test the resource potential of the Murombe Basin fan system. The further occurrence of an Aptian marine source was noted in Murombe-1, as well as in Wingat-1.

Accordingly the Company has relaunched a farmout process for the Namibian Project and has mandated First Energy, a specialist M&A adviser with considerable experience in transactions of this nature, to assist in the marketing of the Namibian Project with a view to identifying suitable joint venturers to advance exploration on the blocks, to which Global remains committed.

REVIEW OF OPERATIONS (continued)

Principal Activities (continued)

Juan de Nova Project

Jupiter Petroleum Juan de Nova Limited ("Jupiter") (a 100% subsidiary of Global) held a 30% interest in the Juan de Nova Est Permit (the "Permit") during the initial period thereof. The Permit was issued by the French Government in December 2008 and covers an area of approximately 9,010 square kilometres being situated to the east of the small island of Juan de Nova in the Mozambique Channel, immediately to the west of Madagascar.

Jupiter applied (in August 2013), as a 100% interest holder and Operator, for renewal of the Juan de Nova Est Permit for a five year term. A joint venture agreement has been signed with Wessex Exploration PLC ("Wessex" AIM:WSX) giving Wessex the right to apply to the French authorities to take legal title to a 50% legal working interest upon renewal of the Permit to Jupiter.

Business Development

The board continues to review opportunities for other acquisitions, joint ventures, or investments in the resources sector, which may enhance shareholder value and the Company will continue to evaluate new opportunities as they are presented.

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 and the Juan de Nova Est Permit in the French Dependency of Juan de Nova.
- No petroleum tenements were acquired or disposed of by the Company during the review period.
- As outlined above, the Company currently has a 100% interest in, and is the Operator of, the Juan de Nova Est Permit. A joint venture agreement with Wessex provides the Company and Wessex each a 50% legal working interest in the Juan de Nova Est Permit in the event that renewal of the Juan de Nova Est Permit is successful.
- 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.

SUBSEQUENT EVENTS

On 10 February 2014 Mr John van der Welle was appointed the Company's Non-Executive Chairman and Mr Peter Taylor, who had been the Company's Acting Non-Executive Chairman, resumed his role as a Non-Executive Director.

Also on 10 February 2014 the Company announced that it had made applications in August 2013 for four exploration areas in the Southern Adriatic offshore Italy. The applications were then published by the Italian authorities 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 next phase is for the Company to make an application within 90 days to the relevant authorities in relation to the environmental compatibility of the applications. The precise timetable for the final award of the four permits is dependent upon a satisfactory outcome to this process, and upon subsequent formalities in accordance with Italian legislation.

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

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the six months ended 31 December 2013.

Signed in accordance with a resolution of the directors:

DAMIEN CRONIN

Director and Company Secretary

10 March 2014

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 2013 there have been:

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

KPMG

Jason Adams
Partner

Brisbane
10 March 2014

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2013

GLOBAL PETROLEUM LIMITED

	For the six months ended 31 December		
	Note	**2013 $**	**2012 $**
Continuing operations			
Salaries and employee benefits expense		(523,728)	(404,433)
Administrative expenses		(694,620)	(657,357)
Other expenses		(623,871)	(338,276)
Foreign exchange gain (loss)		6,531	(73,614)
Equity based remuneration		(112,612)	(130,094)
Results from operating activities		**(1,948,300)**	**(1,603,774)**
Finance income		322,512	417,200
Net finance income		**322,512**	**417,200**
Profit (loss) before tax		**(1,625,788)**	**(1,186,574)**
Tax benefit (expense)	4	-	1,441,255
Profit (loss) from continuing operations after tax		**(1,625,788)**	**254,681**
Discontinuing operations			
Profit (loss) from discontinued operation, net of tax	5	-	(29,705)
Profit (loss) for the period		**(1,625,788)**	**224,976**
Other comprehensive income			
Foreign currency translation differences - foreign operations		565,392	36,188
Foreign currency translation differences - foreign discontinued operations		-	(60,167)
Other comprehensive income (loss) for the period, net of tax		**565,392**	**(23,979)**
Total comprehensive income (loss) for the period		**(1,060,396)**	**200,997**

Earnings per share			
Basic earnings (loss) per share (cents)		(0.81)	0.11
Diluted earnings (loss) per share (cents)		(0.81)	0.11
Earnings per share – continuing operations			
Basic earnings (loss) per share (cents)		(0.81)	0.13
Diluted earnings (loss) per share (cents)		(0.81)	0.13

The Condensed Consolidated Statement of Profit and Loss and Other 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 2013

GLOBAL PETROLEUM LIMITED

	Note	31 December 2013 $	30 June 2013 $
Assets			
Cash and cash equivalents		19,953,776	22,113,332
Trade and other receivables		183,336	180,280
Prepayments		142,677	172,496
Current tax receivable		161,947	173,126
Total current assets		**20,441,736**	**22,639,234**
Plant and equipment	6	22,648	25,165
Exploration assets	9	11,162,846	9,893,158
Total non-current assets		**11,185,494**	**9,918,323**
TOTAL ASSETS		**31,627,230**	**32,557,557**
Liabilities			
Trade and other payables		453,554	437,899
Current tax payable		-	-
Provisions		55,118	53,316
Total current liabilities		**508,672**	**491,215**
Total non-current liabilities		**-**	**-**
TOTAL LIABILITIES		**508,672**	**491,215**
NET ASSETS		**31,118,558**	32,066,342
Equity			
Issued share capital		41,574,956	41,574,956
Reserves		1,706,089	1,028,085
Accumulated losses		(12,162,487)	(10,536,699)
TOTAL EQUITY		**31,118,558**	**32,066,342**

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 CASH FLOWS

For the six months ended 31 December 2013

	For the six months ended 31 December 2013 $	2012 $
Cash flows from operating activities		
Cash paid to suppliers and employees	(1,309,044)	(1,403,037)
Interest received	374,531	414,496
Refunds(payments) of GST	24,818	(1,431)
Tax inflow(outflow)	16,885	-
Net cash inflow (outflow) from operating activities of discontinued operations	-	(162,824)
Net cash provided by (used in) operating activities	**(892,810)**	**(1,152,796)**
Cash flows from investing activities		
Short term loan from related party	-	61,901
Exploration and oil and gas assets expenditure	(1,338,100)	(794,023)
Net cash from (used in) investing activities	**(1,338,100)**	**(732,122)**
Net increase (decrease) in cash and cash equivalents	**(2,230,910)**	**(1,884,918)**
Cash and cash equivalents at 1 July	22,113,332	24,329,070
Effect of exchange rate changes on cash and cash equivalents	71,354	(116,511)
Cash and cash equivalents at 31 December	**19,953,776**	**22,327,641**

The Condensed Consolidated Statement of Cash Flows 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 2013

	Attributable to owners of the company				
	Share Capital $	Option Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total Equity $
Six months ended 31 December 2013					
Balance at 1 July 2013	**41,574,956**	636,540	**391,545**	**(10,536,699)**	**32,066,342**
Issue of options	-	149,824	-	-	149,824
Cancelled options	-	(37,212)	-	-	(37,212)
Total comprehensive profit(loss) for the period:					
Net profit(loss) for the period	-	-	-	(1,625,788)	(1,625,788)
Other comprehensive profit(loss):					
Foreign exchange translation differences	-	-	565,392	-	565,392
Total comprehensive profit(loss) for the period	**-**	**-**	**565,392**	**(1,625,788)**	**(1,060,396)**
Balance at 31 December 2013	**41,574,956**	**749,152**	**956,937**	**(12,162,487)**	**31,118,558**
Six months ended 31 December 2012					
Balance at 1 July 2012	**41,574,956**	**417,242**	**(291,134)**	**(9,248,635)**	**32,452,429**
Issue of options	-	130,094	-	-	130,094
Total comprehensive profit(loss) for the period:					
Net profit(loss) for the period	-	-	-	224,976	224,976
Other comprehensive profit(loss):					
Foreign exchange translation differences	-	-	(23,979)	-	(23,979)
Total comprehensive profit(loss) for the period	**-**	**-**	**(23,979)**	**224,976**	**200,997**
Balance at 31 December 2012	**41,574,956**	**547,336**	**(315,113)**	**(9,023,659)**	**32,783,520**

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.

1. REPORTING ENTITY

Global Petroleum Limited is a company currently 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 2013 comprises the Company and its Subsidiaries (together referred to as the "Group"). The Group primarily is involved in oil and gas exploration.
The consolidated annual financial statements of the Group as at and for the year ended 30 June 2013 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.

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 2013. 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 2013.

These condensed consolidated interim financial statements were approved by the Board of Directors on 10 March 2014.

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 expense. Actual results may differ from these estimates.
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 2013.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, 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 2013. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ended 30 June 2014.

Changes in accounting policies

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

AASB 10 Consolidated Financial Statements (2011) (see (a))
AASB 11 Joint Arrangements (see (b))
AASB 13 Fair Value Measurement (see (c))
Annual Improvements to Australian Accounting Standards 2009–2011 Cycle (see (d)).

The nature and the effect of the changes are further explained below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Subsidiaries
As a result of AASB 10 (2011), the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. AASB 10 (2011) introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, AASB 10 (2011) requires the Group consolidate investees that it controls on the basis of de facto circumstances.

In accordance with the transitional provisions of AASB 10 (2011), the Group reassessed the control conclusion for its investees at 1 July 2013. As a consequence, the Group has not had to change its control conclusions and accordingly, there has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

(b) Joint arrangements
As a result of AASB 11, the Group has changed its accounting policy for its interests in joint arrangements. Under AASB 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group has reviewed its current position and has determined that no accounting adjustments need to be made. And accordingly, there has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

(c) Fair value measurement
AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Group has included additional disclosures in this regard (see Note 7).

In accordance with the transitional provisions of AASB 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

d) Segment information
The amendment to AASB 134 clarifies that the Group needs to disclose the measures of total assets and liabilities for a particular reportable segment only if the amounts are regularly provided to the Group's chief operating decision maker, and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. As a result of this amendment, the Group has included additional disclosure of segment liabilities (see Note 4).

4. SEGMENT INFORMATION

The Group operates in the oil and gas exploration, development and production segments as described below:

Continuing operations

Africa – The Group currently holds prospective oil and gas exploration interests in offshore Namibia and offshore Juan de Nova, a French dependency, in the Mozambique Channel.

Discontinued operations

America – On 27 February 2012, the Group sold its interest in the Olmos production wells and related leases – part of the Leighton Project. In June 2013, the Group also sold its remaining interests in the USA - Eagle Ford oil and gas production operations and related leases.

For the six months ended 31 December 2013	Africa $	USA $	Consolidated $
Segment revenue			
External revenue	-	-	-
Total revenue	**-**	**-**	**-**
Segment Result	(162,765)	-	(162,765)
Interest Income			322,512
Net foreign exchange gain (loss)			6,531
Corporate and administration costs			(1,679,454)
Equity based remuneration			(112,612)
Profit for the period before tax			**(1,625,788)**
Income tax expense discontinued			-
Income tax benefit			-
Profit (loss) for the 6 month period			**(1,625,788)**

31 December 2013	Africa $	USA $	Consolidated $
Assets			
Segment assets	11,162,846	-	11,162,846
Unallocated assets			20,464,384
Consolidated assets			**31,627,230**
Liabilities			
Segment liabilities	-	-	-
Unallocated liabilities			508,672
Consolidated Liabilities			**508,672**

4. SEGMENT INFORMATION (continued)

For the six months ended 31 December 2012	Africa $	USA $ (discontinued)	Consolidated $
Segment revenue			
External revenue	-	184,179	184,179
Total revenue		**184,179**	**184,179**
Segment result	-	(15,264)	(15,264)
Interest income			417,200
Net foreign exchange gain (loss)			(73,614)
Corporate and administration costs			(1,400,066)
Equity based remuneration			(130,094)
Profit for the period before tax		**(15,264)**	**(1,201,838)**
Income tax expense discontinued		(14,441)	(14,441)
Income tax benefit			1,441,255
Profit (loss) for the 6 month period		**(29,705)**	**224,976**

30 June 2013	Africa $	USA $	Consolidated $
Assets			
Segment assets	9,893,158	-	9,893,158
Unallocated assets			22,664,399
Consolidated assets			**32,557,557**
Liabilities			
Segment liabilities	-	-	-
Unallocated liabilities			491,215
Consolidated liabilities			**491,215**

During the prior year, Global established that the provision held for tax payable amounting to $1,412,653 as a result of the Kenyan settlement proceeds received by Star Petroleum International (Kenya) Limited, a wholly owned subsidiary of Global, was not assessable in Australia, Kenya or the United Kingdom. As such the provision was reversed in the accounts – resulting in an increase in profit of $1,412,653.

5. DISCONTINUED OPERATIONS

Oil and gas production wells and licences
On 28 February 2012, the Group sold its interest in the Olmos production wells and related lease which formed part of the Leighton Project. In June 2013, the Group also sold its remaining interests in the USA - Eagle Ford oil and gas production operations and related leases.

5. DISCONTINUED OPERATIONS (continued)

	Note	For the six months ended 31 December 2013 $	2012 $
Results from discontinued operations			
Revenue		-	184,179
Cost of sales		-	(105,571)
Administration		-	(8,797)
Amortisation		-	(85,075)
Results from discontinued operating activities		**-**	**(15,264)**
Income tax benefit (expense)		-	(14,441)
Results from discontinued operating activities after tax		**-**	**(29,705)**
Profit for the period		**-**	**(29,705)**

The profit (loss) for the period from the discontinued operations of $Nil (2012: $(29,705)) is entirely attributable to the owners of the company.

Earnings per share of discontinued operations

	For the six months ended 31 December 2013 Cents per share	2012 Cents per share
Basic earnings per share	-	(0.01)
Diluted earnings per share	-	(0.01)

Cash flows from (used in) discontinued operations

	Notes	For the six months ended 31 December 2013 $	2012 $
Cash flows from operating activities			
Oil and gas revenue received		-	182,497
Cash paid to suppliers and employees		-	(74,801)
Interest received		-	2,171
Tax paid		-	(272,691)
Net cash from (used in) operating activities		**-**	**(162,824)**
Cash flows from investing activities			
Exploration and oil and gas assets expenditure		-	-
Proceeds from sale of exploration asset		-	-
Net cash from (used in) investing activities		**-**	**-**
Cash flows from financing activities			
Loans		-	-
Net cash from financing activities		**-**	**-**

6. PLANT AND EQUIPMENT

	6 Months to 31 December 2013 $	12 Months to 30 June 2013 $
Cost	**Fixtures and Fittings**	
Balance at the beginning of period	27,353	-
Additions	-	27,353
Balance at end of period	27,353	27,353
Accumulated depreciation		
Balance at the beginning of period	2,188	-
Depreciation for the year	2,517	2,188
Balance at end of period	4,705	2,188
Carrying amount at end of period	22,648	25,165

7. 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.

31 December 2013	Carrying amount $	Fair Value $
Current financial assets		
Trade and other receivables	183,336	183,336
Cash and cash equivalents	19,953,776	19,953,776
Current financial liabilities		
Trade and other payables	453,554	453,554

8. EQUITY SECURITIES LISTED

Options issued

On 20 November 2013, the Company cancelled and re-granted 6,300,000 options. All options were re-granted on identical terms to the existing incentive options other than the exercise date which was extended, in the case of Mr. P Hill's options from 2014/2015 to 2017/2018 respectively and for Mr. P Dighton's from 2013 to 2019 – see details below. The options were revalued and, in accordance with AASB2, this resulted in an additional $117,400 expensed to equity based remuneration. A further 300,000 incentive options were issued toMr. D Cronin with a fair value of $10,200. This fair value has been recognized as an expense over the vesting period of the options in accordance with accounting standards.

The Company cancelled and re-granted options, approved by shareholders at the 2013 Annual General Meeting as follows:

Cancelled options

P Hill:

i. 1,500,000 incentive options exercisable at A$0.25 each on or before 1 April 2014, vesting on 1 April 2012;
ii. 1,750,000 incentive options exercisable at A$0.30 each on or before 1 October 2014, vesting on 1 October 2012;
iii. 1,750,000 incentive options exercisable at A$0.35 each on or before 1 April 2015, vesting on 1 April 2013; and
iv. 1,000,000 incentive options exercisable at A$0.45 each on or before 1 October 2015, vesting on 1 October 2013.

P Dighton:

300,000 incentive options exercisable at A$0.25 each on or before 30 June 2014.

Re-granted options

P Hill:

i. 1,500,000 incentive options exercisable at A$0.25 each on or before 1 April 2017, vested on 16 December 2013
ii. 1,750,000 incentive options exercisable at A$0.30 each on or before 1 October 2017, vested on 16 December 2013
1,750,000 incentive options exercisable at A$0.35 each on or before 1 April 2018, vested on 16 December 2013, and
iii. 1,000,000 incentive options exercisable at A$0.45 each on or before 1 October 2018, vested on 16 December 2013

P Dighton:

300,000 incentive options exercisable at A$0.25 each on or before 30 June 2019, vested on 16 December 2013

The Company issued 300,000 incentive options to Mr. D Cronin exercisable at A$0.25 each on or before 30 June 2019, approved by shareholders at the 2013 Annual General Meeting and vesting on 16 December 2013.

Refer to note 10 for full details on options.

9. EXPLORATION ASSETS

	Note	6 Months to 31 December 2013 $	12 Months to 30 June 2013 $
Balance at beginning of period		9,893,158	9,081,020
Expenditure incurred and capitalised during the period		770,638	527,569
Foreign currency movement		499,050	284,569
Balance at end of period		**11,162,846**	**9,893,158**

10. SHARE BASED PAYMENTS

The following equity-settles share-based payments were issued or forfeited in the 6 months to 31 December 2013.

	Number of Options	Grant date	Fair Value per option at grant date	% Cancelled in Year	% Expired in year	Exercise date	Exercise Price $	Vesting date
Robert Arnott Director	250,000	4 October 2012	0.036	0	100	1 April 2015	0.25	1 April 2013
	290,000	4 October 2012	0.037	0	100	1 October 2015	0.30	1 October 2013
	290,000	4 October 2012	0.038	0	100	1 April 2016	0.35	1 April 2014
	170,000	4 October 2012	0.037	0	100	1 October 2016	0.45	1 October 2014
Peter Hill Director	1,500,000	29 November 2011	0.080	100	0	1 April 2014	0.25	1 April 2012
	1,750,000	29 November 2011	0.082	100	0	1 October 2014	0.30	1 October 2012
	1,750,000	29 November 2011	0.085	100	0	1 April 2015	0.35	1 April 2013
	1,000,000	29 November 2011	0.084	100	0	1 October 2015	0.45	1 October 2013
Peter Hill Director	1,500,000	16 December 2013	0.019	0	0	1 April 2017	0.25	16 December 2013
	1,750,000	16 December 2013	0.019	0	0	1 October 2017	0.30	16 December 2013
	1,750,000	16 December 2013	0.020	0	0	1 April 2018	0.35	16 December 2013
	1,000,000	16 December 2013	0.019	0	0	1 October 2018	0.45	16 December 2013
Peter Dighton Director	300,000	31 December 2011	0.053	100	0	30 June 2014	0.25	31 December 2011
Peter Dighton Director	300,000	16 December 2013	0.034	0	0	30 June 2019	0.25	16 December 2013
Damien Cronin Director	300,000	16 December 2013	0.034	0	0	30 June 2019	0.25	16 December 2013

10. SHARE BASED PAYMENTS (continued)

The fair value of the options was determined using the Black Scholes option pricing model or the Binomial options pricing model. The total expense arising from the equity based payments for the 6 month period to 31 December 2013 was $112,612 (Dec 2012: $130,094). The expected volatility of the options was calculated using the Hoadley's volatility calculator for a 4 year period, using data extracted from Bloomberg. For the purpose of the valuations above the future estimated volatility level of 65% (2012: 75%) was used in the pricing model.

Measurement of fair value

The fair value of the options granted through share based incentive scheme was measured based on the Black Scholes model or on a binomial option pricing model.

	6month period ended 31 Dec 2013	6month period ended 31 Dec 2012
Fair value at grant date ($)	0.019 – 0.034	0.025 - 0.038
Share price	$0.09	$0.13
Exercise price ($)	0.25 – 0.45	0.25 – 0.45
Expected volatility	65%	75%
Expected option life	3.36 – 5.61	2.38 – 3.88
Expected dividends	Nil	Nil
Risk-free interest rate (based on government bonds)	3.06%-3.48%	2.54%

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 2013	Weighted average exercise prices 2013 $	Number of options 2012	Weighted average exercise price 2012 $
Outstanding at 1 July	9,300,000	0.318	6,800,000	0.318
Cancelled during the period	(6,300,000)	0.324		
Re-granted during the period	6,300,000	0.324	3,000,000	0.327
Granted during the period	300,000	0.25		
Options exercised during the period	-	-	-	-
Options expired during the period	(1,000,000)	0.327	-	-
Outstanding at 31 December	8,600,000	0.314	9,800,000	0.321
Exercisable at 31 December	5,000,000	0.312	4,050,000	0.272

11. 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 Robert Arnott	Non-Executive Chairman (appointed 4 October 2012, resigned 16 July 2013)
Mr Peter Taylor	Non-Executive Director (appointed Acting Non-Executive Chairman 16 July 2013, resignedas Acting Non-Executive Chairman 10 February 2014)
MrJohn van der Welle	Non-Executive Chairman (appointed 10 February 2014)
Mr Peter Hill	Managing Director and Chief Executive Officer
Mr Peter Blakey	Non-Executive Director
Mr Peter Dighton	Non-Executive Director
Mr Damien Cronin	Non-Executive Director and Company Secretary

Key management personnel compensation

	6m to 31 December 2013 $	6m to 31 December 2012 $
Short-term employee benefits	317,833	306,150
Equity based payments	112,947	110,940
Post-employment benefits	31,918	22,989
Total compensation	**462,698**	**440,079**

Individual director and executive compensation disclosure
Information regarding individual director and executive compensation and some equity instruments disclosed as required by Corporations Regulation 2 M.3.03 is provided in Notes 8 and 10.

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.

2013	N° shares held at 1 July 2013	Acquisitions	Disposals	No Longer KMP	N° shares held at 31 Dec 2013
Directors					
Mr R Arnott (resigned 16 July 2013)	-	-	-	-	-
Mr P Hill	180,000	-	-	-	180,000
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	-	-	-	-	-

11. RELATED PARTIES (continued)

Individual director and executive compensation disclosure (continued)

2012	Held at 1 July 2012	Acquisitions	Disposals	Held at 31 Dec 2012
Directors				
Mr R Arnott (appointed 4 Oct 2012, resigned 16 July 2013)	-	-	-	-
Mr M Savage (resigned 4 Oct 2012)	2,225,000	-	(2,225,000)	-
Mr P Hill	180,000	-	-	180,000
Mr P Blakey	41,011,761	-	-	41,011,761
Mr P Taylor	42,434,867	-	-	42,434,867
Mr P Dighton	-	40,000	-	40,000
Mr D Cronin	-	-	-	-

Options and rights over equity instruments

Other than disclosed in Note 8, no options were held by key management personnel or related parties during the period ended 31 December 2013. Other than disclosed in Note 8, no options were held by key management personnel or related parties during the period ended 31 December 2012.

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. The terms and conditions of these transactions were no more favourable than those available, or which might be available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

During the period the company paid $42,419 ($2012: $163,623) to TM Services Limited, a company controlled by Mr P Taylor and Mr P Blakey, for office usage, administrative and technical assistance in London. $16,800 (2012: $16,800) to Law Strategies, a company controlled by Mr P Dighton, for the provision of a fully serviced Australian office. $0 (2012: $7,722) to Tower Resources, a company controlled by Mr P Taylor and Mr P Blakey, for administrative assistance in London. The company also paid Law Strategies $1,500 (2012: $7,650) for the provision of legal services and $22,000 (2012: $28,000) to 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 for the amount of $15,000 each (2012: $15,000 each).

12. CONTINGENCIES

There have been no changes in contingent liabilities since 30 June 2013.

13. CAPITAL COMMITMENTS

13.1 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.

13.2 Joint venture commitments

On 26 August 2011, the Group acquired Jupiter Petroleum Limited ("Jupiter") which holds prospective oil and gas exploration interests in offshore Namibia and in offshore Juan de Nova, a French dependency in the Mozambique Channel. In order to maintain current rights of tenure to the exploration licences, Global will be required to perform minimum exploration work to meet the minimum expenditure requirements specified in the Namibian Petroleum Exploration Licence and the Juan de Nova Permit. The obligations (subject to application for, and granting of, renewal in the case of the First and Second Renewal Periods) include:

Namibian Petroleum Exploration Licence

(a) **Initial Exploration Period** (First four years of Licence commencing on 3 December 2010):
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$1 million (A$ 1.13 million). To date US$3.12 million (A$3.5 million) has been spent.

(b) **First Renewal Exploration Period** (Two years from 3 December 2014):

The drilling of one exploration well. Minimum exploration expenditure for the First Renewal Exploration Period: US$20 million (A$22.54 million).

(c) **Second Renewal Period** (Two years from 3 December 2016):

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 (A$22.54 million), or US$21 million (A$23.66 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.

Juan de Nova Permit

The current Licence term ended on 31 December 2013 and an application was made on 28 August 2013 to renew the permit for a further period. This renewal process in ongoing. When the Licence renewal is successful, Jupiter will be the operator and hold a 50% equity and paying interest. The likely work program following award of the Licence is a 2D seismic survey over the most prospective part of the block. The estimated cost is €0.75 million (A$1.125 million) net to Jupiter to be spent in the second half 2014 to first half 2015.

14. SUBSEQUENT EVENTS

On 10 February 2014 Mr John van der Welle was appointed the Company's Non-executive Chairman and Mr Peter Taylor, who had been the Company's Acting Non-Executive Chairman, resumed his role as a Non-executive Director.

Also on 10 February 2014 the Company announced that it had made applications for four exploration areas in the Southern Adriatic offshore Italy. The 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 next phase is for the Company to make an application within 90 days to the relevant authorities in relation to the environmental compatibility of the applications. The precise timetable for the final award of the four permits is dependent upon a satisfactory outcome to this process, and upon subsequent formalities in accordance with Italian legislation.

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 6 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 2013 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:

DAMIEN CRONIN
Director and Company Secretary

10 March 2014

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

We have reviewed the accompanying interim financial report of Global Petroleum Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the interim period ended on that date, notes 1 to 14 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 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 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 2013 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*.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the 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 2013 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

Jason Adams
Partner

Brisbane
10 March 2014