



**ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 31 OCTOBER 2014**

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## **SEPTEMBER 2014 QUARTERLY REPORT**

The Board of Global Petroleum Limited (“Global” or “Company”) is pleased to present its Quarterly Report for the period ending 30 September 2014.

### **Summary**

- From 1 July 2014 the Company is making its financial reporting currency in US Dollars.
- The Company released its Annual Report on 30 September 2014. Subsequent to the end of the reporting period, the Company has announced its Annual General Meeting will be held in Brisbane on 27 November 2014.
- Subsequent to the end of the reporting period, the Company agreed with the Namibian Ministry of Mines and Energy (“MME”) a 12 month extension of the Initial Exploration Period of its Namibian Licence, which will now be valid until December 2015. The Company has agreed with MME to extend the Initial Exploration Period on the basis of an agreed work programme, which entails further interpretation work on existing seismic data.
- Discussions are ongoing with the French Authorities to renew the Juan de Nova Est Permit for a five year term. If renewal is granted, Global will become the Operator with an increased equity in the Permit.
- The Company has now moved to the next phase in the award process for its four exploration applications offshore Italy, having commenced a dialogue with the relevant authorities in relation to environmental impact in the exploration areas.

**Peter Hill, MD & CEO, commented:** “We continue to appraise a wide range of potential new opportunities. We are expending intensive effort with a view to meeting our priority of significantly growing the Company’s portfolio. As previously reported we intend to acquire only what we regard as high-quality assets, bearing in mind our strong cash position compared to many of our peers.”

For further information please visit [www.globalpetroleum.com.au](http://www.globalpetroleum.com.au) or contact:

**Global Petroleum Limited**

Peter Hill, Managing Director & CEO +44 (0)20 7495 6802

Damien Cronin, Company Secretary +61 (0)7 3310 8732

**RFC Ambrian Limited (Nominated Adviser & Joint Broker)**

James Biddle / Charlie Cryer +44 (0)20 3340 6800

**FirstEnergy Capital LLP (Joint Broker)**

Hugh Sanderson / Travis Inlow +44 (0)20 7448 0200

**Tavistock Communications (Financial PR & IR)**

Simon Hudson / Ed Portman +44 (0)20 7920 3150

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ABN 68 064 120 896

Level 5, Toowong Tower, 9 Sherwood Road, Toowong, QLD 4066  
Telephone: + 61 7 3310 8732 / Fax: +61 7 3310 8823

## **Functional Currency**

The Company resolved, from 1 July 2014, to report what it now considers to be its functional currency, United States Dollars (US\$/USD) having reported to 30 June 2014 in Australian Dollars (A\$/AUD). Accordingly, the Appendix 5B accompanying this Quarterly Report is in United States Dollars.

## **Corporate**

The Company released its Annual Report on 30 September 2014. Subsequent to the end of the reporting period, the Company has announced its Annual General Meeting will be held in Brisbane on 27 November 2014.

## **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 expires in December 2014, and Global fulfilled the corresponding work obligations some time ago. This involved reinterpretation of 2,000 kilometres of purchased seismic and commissioning a high resolution 2D seismic acquisition programme of some 2,000 kilometres over the acreage. The new data confirmed the presence of two large structures and other potential leads, and accordingly the Company resolved to seek a partner for the next phase of exploration activity on its acreage, commencing with 3D seismic.

Exploration drilling results in Namibia have been mixed to date. Of the wells drilled in the Walvis basin, 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.

The Welwitschia-1A well was plugged and abandoned during the previous reporting period. It had been drilled to a depth of 2,454m in Block 2011A, adjacent to Global's Block 2010A.

The geological setting of Global's blocks is distinct from that targeted by the Welwitschia-1A well, notwithstanding the relative proximity of the two, 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.

In addition, the Company's technical team believes that shallower reservoir potential still remains in its blocks, as Global's interpretation is that the high quality Maastrichtian and Campanian reservoirs in its blocks were deposited in a sandstone reservoir fairway which skirted and bypassed the old highs such as the one drilled by Welwitschia-1A.

Regarding source, it is thought that the main charge for Global's prospects is also in the older sediments: this means that the deeper structures would be charged first, the shallower Maastrichtian and Campanian traps second, and only thirdly the reservoir fairway between the highs on one of which Welwitschia-1A was drilled.

The Company therefore remains optimistic about the potential of its Namibian blocks given

the technical differentiation between the prospectivity on its blocks and the target drilled at Welwitschia-1A and continues to seek a partner with a view to funding the future work programme on the Licence, commencing with 3D seismic. However, the Company is mindful of the wider context that disappointing drilling results both in Namibia and in Atlantic margin frontier plays generally have affected industry and market sentiment, which has undoubtedly had a bearing on its farm-out process in Namibia,

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.

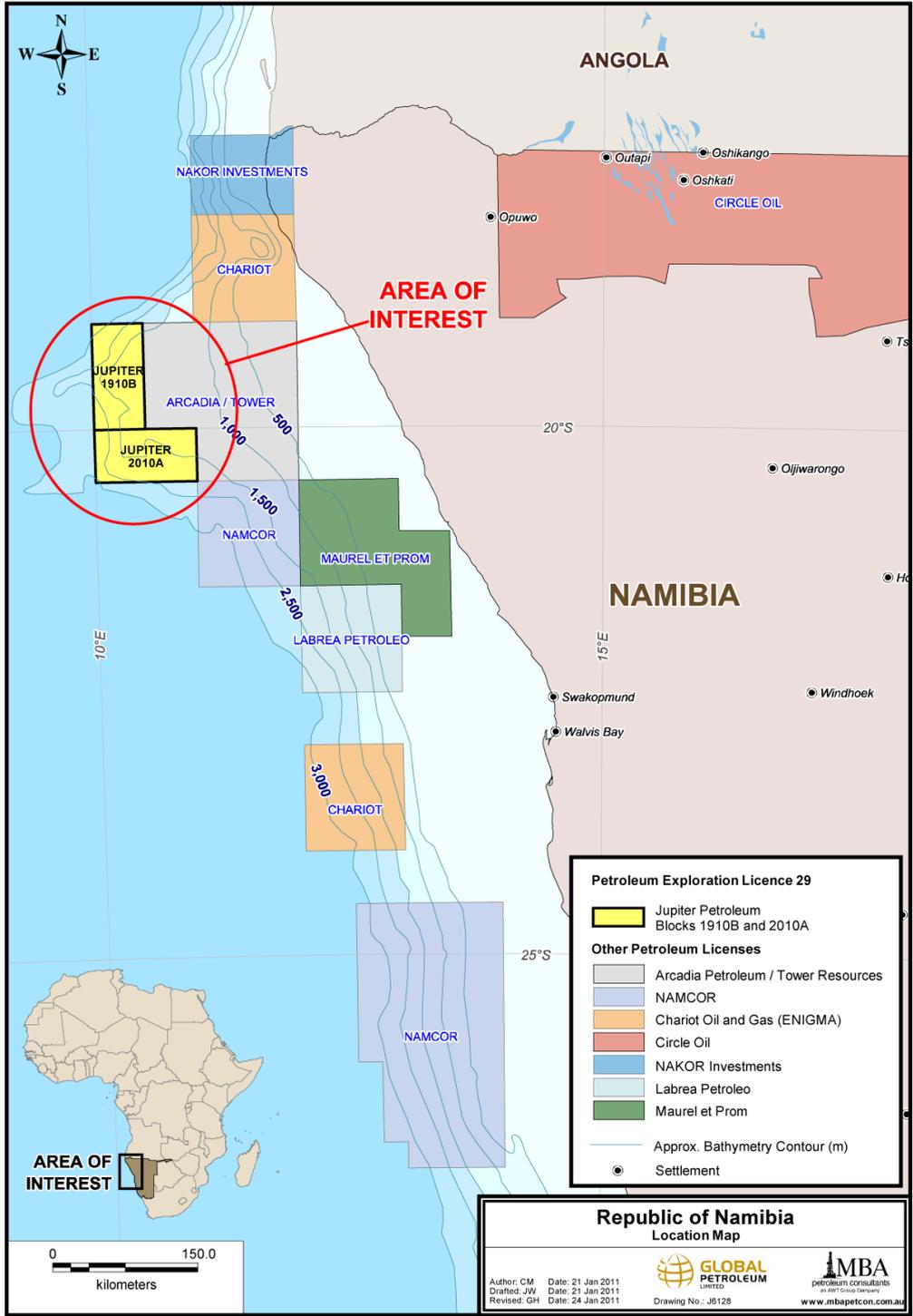


FIGURE 01

## **Juan de Nova Project**

Jupiter Petroleum (Juan de Nova) Limited (“Jupiter”, a 100% subsidiary of Global) previously held a 30% interest in the Juan de Nova Est Permit (the “Permit”) which was issued by the French Government in December 2008. The Permit covers approximately 9,010 square kilometres and is situated to the east of the small island of Juan de Nova in the Mozambique Channel, immediately to the west of Madagascar (refer to the map below).

A petroleum systems review, including reprocessing of historic 2D seismic data, was completed in 2013. Results appear to show a thick and potentially prospective stratigraphic section in deep water in both the northern and southern triangles of the block, which are encouraging enough to justify renewal. Accordingly, an application by the joint venture partners to renew approximately 4,500 square kilometres (equating to 50% of the existing Permit area) of the Juan de Nova Est Permit was submitted to the French Authorities on 28 August 2013. Following subsequent dialogue with the Authorities, the Company is now awaiting a response to the application.

In the first phase of the Permit, Wessex Exploration Limited (“Wessex”) was the operator and held a beneficial interest of 70%. There was insufficient time to convert this beneficial interest into full legal title to the Permit prior to the deadline for the Permit’s renewal, and so Wessex was unable legally to participate in the renewal process. However, Global held a full legal interest in the Permit through Jupiter, which therefore applied for renewal as a 100% interest holder and Operator. Alongside the Permit renewal application, a new joint venture agreement was signed with Wessex giving Wessex the right to apply to the relevant French Authorities to take legal title to a 50% working interest in the Permit, in the event that the renewal is successful. During the reporting period dialogue continued with the French Authorities regarding renewal of the Permit.

The Company does not expect the French Authorities to make a decision regarding renewal of the Permit before Q1 2015.

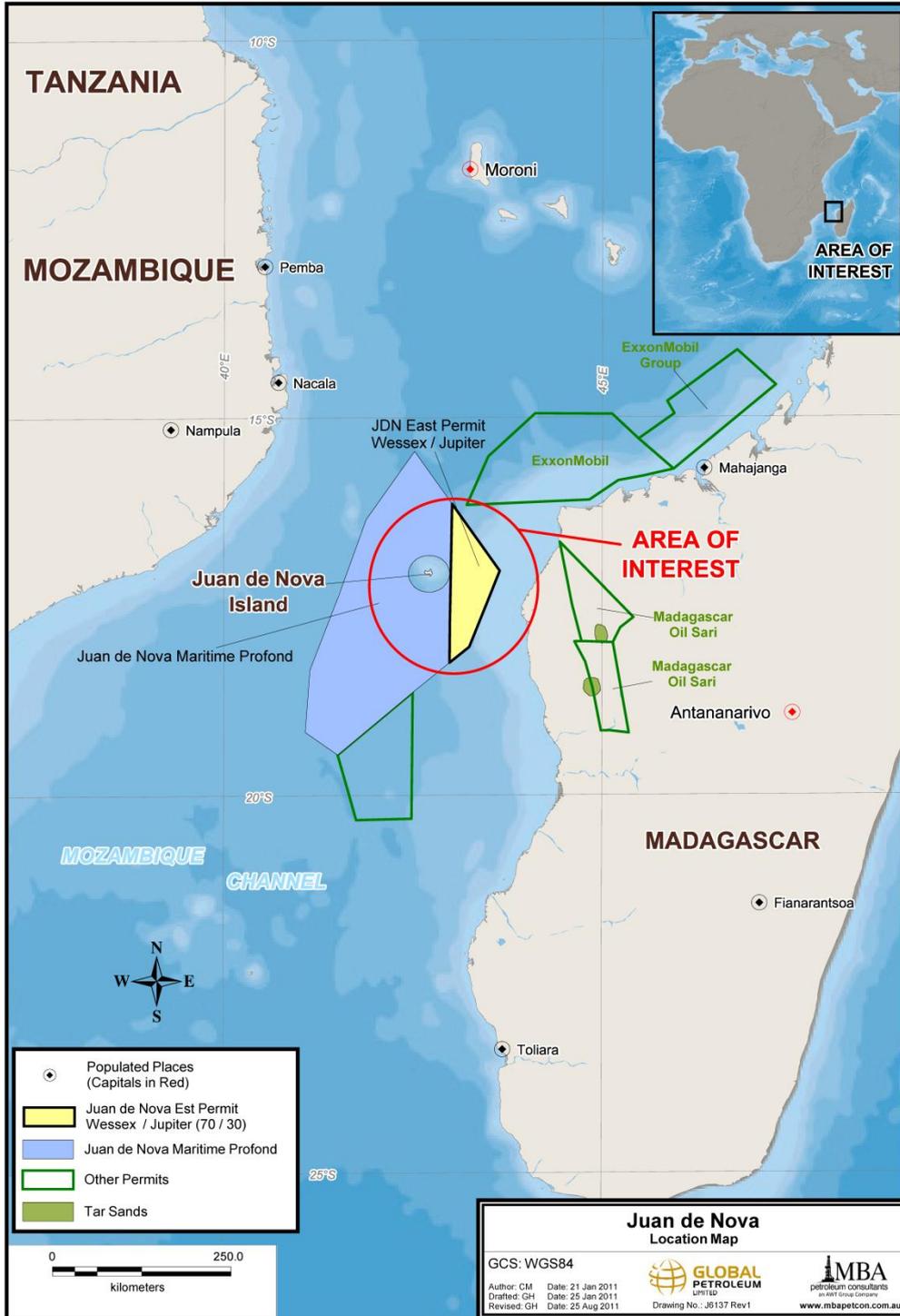


FIGURE 02

## 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, and upon subsequent formalities in accordance with Italian legislation.

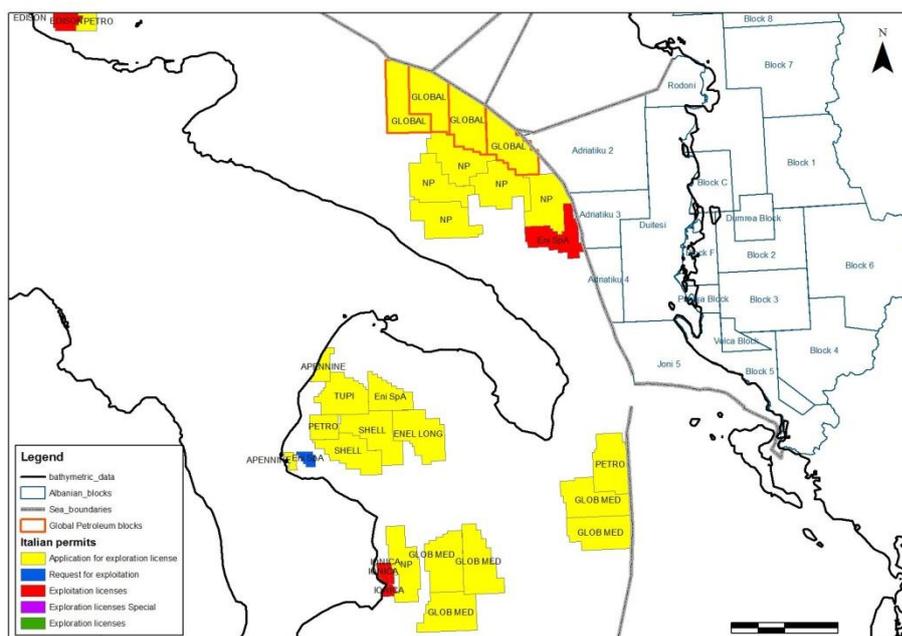


Figure 1 – map of southern Adriatic showing Italian permits

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 earlier in the year, 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.

## Business Development

The Company has reviewed a wide range of potential new opportunities and the process remains ongoing. Global remains well capitalised which provides a position of strength compared to many of its peers and the Board is ready to commit a significant portion of this capital to a suitable new opportunity or opportunities, but only if they believe such are likely to significantly enhance shareholder value.

The Board is particularly mindful of the wider context, which is that disappointing drilling results both in Namibia and in Atlantic margin frontier plays generally have affected industry and market sentiment. This in turn has impacted the availability of equity capital, particularly for companies in the E&P sector.

As mentioned above, in response to the current exploration backdrop we have re-assessed our strategy of looking for frontier exploration opportunities, and have concluded the Company will now balance its existing higher risk/reward portfolio in Namibia and prioritise exploration in proven hydrocarbon provinces, especially onshore, and investment in discovered contingent resources. Geographically the focus will continue to be primarily Africa and the Mediterranean. We will also carefully consider appropriate corporate opportunities, which may occur periodically.

### **ASX Listing Rule 5.4.3**

Global provides the following information 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 granted petroleum tenements were acquired or disposed of by the Company during the Quarter.
- As outlined above, the Company has applied on a 100% basis, as Operator, for the renewal of the Juan de Nova Est Permit. A joint venture agreement with Wessex provides, subject to certain conditions, that the Company and Wessex will each hold 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 Quarter.

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