

29 September 2016



**Global Petroleum Limited**  
("the Company" or "Global")

### **Final Results for the Year Ended 30 June 2016**

The Directors of Global Petroleum Limited present their report together with the consolidated financial statements of the Group comprising Global Petroleum Limited and the entities it controlled at the end of, or during, the year ended 30 June 2016 ("Consolidated Entity" or "Group").

#### **Chairman and CEO's Review**

During the period covered by this report macro-economic factors have remained challenging and continue to form the context for both operational and commercial activity in the upstream energy business. The Company has made significant progress in reducing its costs in response to these factors. The Brent oil price averaged \$45 per barrel in the reporting year to 30 June 2016, compared to \$75 in the preceding year to end June 2015. It is instructive to note that the average oil price in the twelve months to June 2014 (just before the oil price began to fall) was \$109 per barrel.

The Company's Petroleum Exploration Licence offshore Namibia was extended in December 2015 into Phase 2, which has a duration of 24 months, with a reduced Minimum Work Programme. In place of the previous well commitment in Phase 2, the Company undertook to reprocess and re-interpret previously acquired 2D seismic and to shoot 800 kilometres of new 2D. To this end the Company's technical team has evaluated reprocessed 2D seismic data from the 1990s which was purchased earlier this year, and has recently taken delivery of reprocessed speculative 2D seismic data shot over its blocks in 2011/12 by the seismic company, TGS. The evaluation of this reprocessed data has proven to be very encouraging with regard to the hydrocarbon potential in Global's 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 view on the overall prospectivity of the acreage. Planning for the acquisition of infill 2D seismic survey data – likely to be shot in 2017- is also in progress in liaison with the Namibian Ministry of Mines and Energy.

The Company's four exploration applications offshore Italy are progressing and we are currently awaiting an Environmental Decree from the Italian Ministry of the Environment.

#### **Financial**

During the year ended 30 June 2016, the Group recorded a loss after tax of US\$2,336,513 (2015: loss US\$4,469,837). Cash balances at 30 June 2016 amounted to US\$10,172,598 (2015: US\$12,707,727). The Group has no debt.

#### **Board**

In January 2016 Mr Peter Dighton resigned from the Board to devote more time to his other business interests, and we thank Peter for his valuable contribution over the years he was a Non-Executive Director.

On 10 June 2016 we welcomed Mr Andrew Draffin to the Board as a Non-Executive Director. Andrew is a Melbourne based Chartered Accountant with a strong focus on corporate, treasury and financial

services, provided to both listed and private companies covering a broad range of industries, including the energy and mining sectors.

### **Strategy and Outlook**

The Company has continued to seek opportunities which would balance its existing higher risk/reward portfolio in Namibia and Italy (once awarded), prioritising investment in discovered contingent resources and/or exploration in proven hydrocarbon provinces.

Accordingly, over the past 12 months we have continued to engage with counterparties holding appropriate assets. We have found that a common feature of such assets is the presence of heavy work commitments, undertaken in a better macro-economic environment. This factor, combined with structural issues regarding availability of finance, continues to be a major hindrance for us in concluding transactions.

We would note, by way of contrast, that over the equivalent period Global Petroleum has not taken on acreage with short-term well commitments. Still less have we utilised our funds to drill high-risk frontier exploration wells.

Your Company is therefore well placed in comparison to many of its peers. We retain a strong cash position and remain confident of making a key investment in due course.

**John van der Welle**  
Chairman

**Peter Hill**  
Chief Executive Officer

## **Operating and Financial Review**

### *Namibian Project*

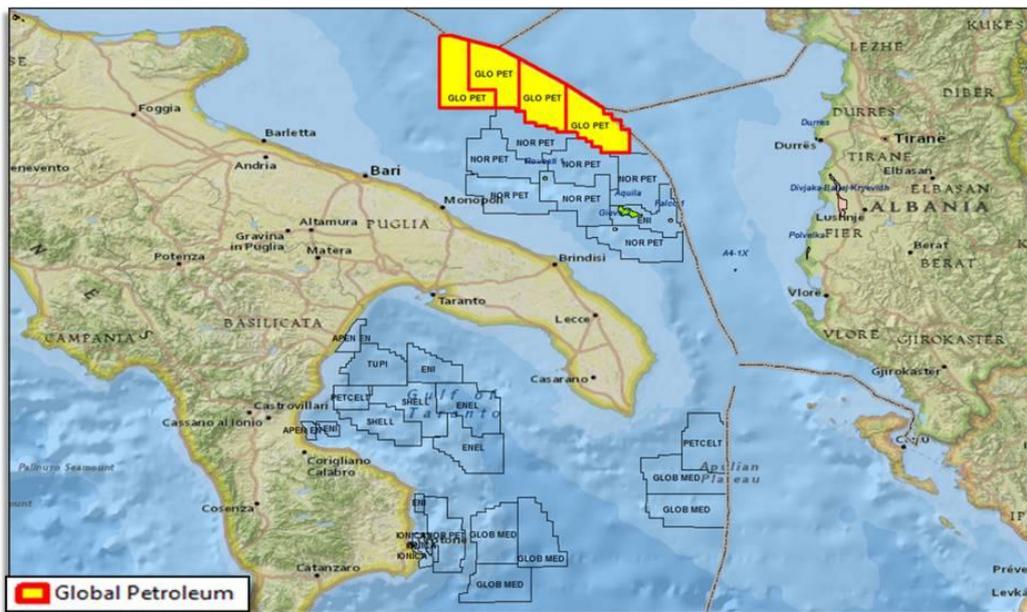
The Namibian Project consists of an 85% participating interest in Petroleum Exploration Licence Number 29 (“Licence”) covering Offshore Blocks 1910B and 2010A in the Republic of Namibia. The Licence, issued on 3 December 2010, originally covered 11,730 square kilometres and is located offshore Namibia 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. The Company agreed with the Namibian Ministry of Mines and Energy (“MME”) a 12 month extension of the Initial Exploration Period to December 2015, on the basis of an agreed work programme which entailed further interpretation work on existing seismic data.

In December 2015, the Company entered into the First Renewal Exploration Period (Phase 2) of the Licence, making a mandatory relinquishment of 50% of the Licence Area. Phase 2 is for a duration of 24 months with a reduced Minimum Work Programme which does not now contain a well commitment. Instead, the Company has undertaken to reprocess and re-interpret previously acquired 2D seismic and to shoot 800 kilometres of new 2D. To this end the Company’s technical team has evaluated reprocessed 2D seismic data from the 1990s which was purchased earlier this year, and has recently taken delivery of reprocessed speculative 2D seismic data shot over its blocks in 2011/12 by the seismic company, TGS. Work on the seismic continues to be very encouraging with regard to the hydrocarbon potential in Global’s 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 view on the overall prospectivity of the acreage. Planning for the acquisition of infill 2D seismic survey data – likely to be shot in 2017- is also in progress in liaison with the Namibian Ministry of Mines and Energy.

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 (Bronze) holding 10% and 5% respectively, both as carried interests.

### **Map of offshore Namibia showing Global blocks**





The Southern Adriatic and adjacent areas continue to be the focus of industry activity. Within the Italian Southern Adriatic for example, seismic acquisition companies are planning to run large multi-client 2D acquisition programmes. Recent licensing rounds in neighbouring countries have attracted the interest of large companies.

In Montenegro, offshore concessions have very recently been awarded to Marathon, OMV and Eni, with these companies also having been awarded offshore licences in Croatia. In Albania, an onshore licensing round has concluded, with several applicants. Shell have operated with some success in Albania exploring and developing fields with similar geological characteristics to those encountered offshore in the Southern Adriatic. There has also been significant corporate activity in Albania with a Chinese company purchasing the interests of Bankers Petroleum.

In Greece, there has been a major offshore licensing round off the west coast of the country, and also to the south of Crete. This has followed a major multi-client seismic survey in the area. The offshore Katakolon field, which has similar geology to the Southern Adriatic area, has had a field development plan prepared by the operator, Energean, with the aim of development drilling starting in the next 18 months.

Ratification of many of these licence awards has only recently taken place, so very little firm activity in terms of drilling and seismic is currently scheduled. This may also be a reflection of the low oil price environment. Nevertheless, the activity in terms of licensing and the size of companies involved underscores the interest in the Adriatic area and is viewed very positively by the Company as an endorsement of its Mediterranean focus.

### *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. Accordingly, we have continued over the past 12 months to engage with counterparties holding appropriate assets. However, the ability to raise the finance necessary for funding asset development following an acquisition remains challenging in the context of the relative slump in the commodity price. A consistent feature in many potential opportunities which

we have reviewed is the onerous work commitments which were undertaken by potential counterparties in a better macro-economic environment.

We would note, by way of contrast, that over the equivalent period Global Petroleum has not taken on acreage with short-term well commitments. Still less have we utilised our funds to drill high-risk frontier exploration wells.

Your Company is therefore well placed in comparison to many of its peers. We retain a strong cash position and remain confident of making a key investment in due course.

#### *Results of Operations*

|  | <b>2016</b>        | <b>2015</b>        |
|--|--------------------|--------------------|
|  | <b>US\$</b>        | <b>US\$</b>        |
| Loss from continuing operations before tax | (2,336,513)        | (4,469,837)        |
| Income tax benefit (expense)               | -                  | -                  |
| <b>Net profit (loss)</b>                   | <b>(2,336,513)</b> | <b>(4,469,837)</b> |

The results of the Consolidated Entity include revenue from interest income of US\$43,942 (2015: US\$72,880).

#### *Presentation currency*

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

#### *Review of financial condition*

As at 30 June 2016, the Group had cash of US\$10,172,598 (2015: US\$12,707,727) and has no debt.

#### *Dividends*

No Dividends were paid during the financial year ended 30 June 2016 (2015: Nil).

#### *Events Subsequent to Reporting Date*

The Company decided on 19 July 2016, following 12 months of operation of the discretionary share scheme for directors previously approved by shareholders, and following a substantial reduction achieved in the Company's costs and a significant improvement in the Company's trading position and market conditions generally, to discontinue the discretionary share scheme immediately following the grant and allotment of a final tranche of such shares in August 2016. In addition, with effect 1 August 2016, Directors' fees and salary would revert to the pre 1 August 2015 levels.

As at the date of this report, there are no other matters or circumstances which have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity;
- the results of those operations, in financial years subsequent to 30 June 2016, of the Consolidated Entity; or
- the state of affairs, in financial years subsequent to 30 June 2016, of the Consolidated Entity.

#### *Likely Developments*

It is the Board's current intention that the Consolidated Entity will focus on maximising the value of its oil and gas exploration assets in Africa and continue to examine new opportunities in the oil and gas sector.

All of these activities are inherently risky and the Board is unable to provide certainty that any or all of these activities will be able to be achieved. In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Consolidated Entity and the expected results of these operations in subsequent financial years may prejudice the interests of the Group, and accordingly has not been disclosed.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 30 JUNE 2016

|  | Notes | 2016<br>US\$       | 2015<br>US\$       |
|--|-------|--------------------|--------------------|
| <b>Continuing operations</b>   |       |                    |                    |
| Salaries and employee benefits expense                                       |       | (366,325)          | (549,896)          |
| Administrative expenses  |       | (1,280,992)        | (1,441,982)        |
| Other expenses   | 7     | (540,856)          | (1,155,434)        |
| Impairment of exploration asset  | 9     | -                  | (354,695)          |
| Foreign exchange gain (loss)   | 10    | (139,099)          | (901,551)          |
| Equity based remuneration  |       | (53,183)           | (139,159)          |
| <b>Results from operating activities before income tax</b>                   |       | <b>(2,380,455)</b> | <b>(4,542,717)</b> |
| Finance income   | 6     | 43,942             | 72,880             |
| <b>Net finance income</b>  |       | <b>43,942</b>      | <b>72,880</b>      |
| <b>Profit (loss) from continuing operations before tax</b>                   |       | <b>(2,336,513)</b> | <b>(4,469,837)</b> |
| Income tax benefit (expense)   | 11    | -                  | -                  |
| <b>Profit (loss) from continuing operations after tax</b>                    |       | <b>(2,336,513)</b> | <b>(4,469,837)</b> |
| <b>Profit (loss) for the year</b>  |       | <b>(2,336,513)</b> | <b>(4,469,837)</b> |
| <b>Other comprehensive income</b>  |       |                    |                    |
| <b>Items that may be reclassified subsequently to profit or loss</b>         |       |                    |                    |
| Transfer from foreign exchange reserve on dissolution of a controlled entity | 15    | -                  | 270,384            |
| <b>Other comprehensive income (loss) for the year, net of tax</b>            |       | <b>(2,336,513)</b> | <b>270,384</b>     |
| <b>Total comprehensive income (loss) for the year</b>                        |       | <b>(2,336,513)</b> | <b>(4,199,453)</b> |
| <b>Earnings per share</b>  |       |                    |                    |
| Basic earnings (loss) per share (cents)                                      | 16    | (1.167)            | (2.241)            |
| Diluted earnings (loss) per share (cents)                                    | 16    | (1.167)            | (2.241)            |

The Notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
FOR THE YEAR ENDED 30 JUNE 2016

|                                      | Notes | 2016<br>US\$      | 2015<br>US\$      |
|--------------------------------------|-------|-------------------|-------------------|
| <b>Assets</b>                        |       |                   |                   |
| Cash and cash equivalents            | 13    | 10,172,598        | 12,707,727        |
| Trade and other receivables          | 12    | 128,710           | 150,386           |
| Prepayments                          |       | 58,925            | 117,711           |
| <b>Total current assets</b>          |       | <b>10,360,233</b> | <b>12,975,824</b> |
| Plant and equipment                  | 8     | 12,341            | 15,354            |
| Exploration assets                   | 9     | 286,667           | -                 |
| <b>Total non-current assets</b>      |       | <b>299,008</b>    | <b>15,354</b>     |
| <b>Total Assets</b>                  |       | <b>10,659,241</b> | <b>12,991,178</b> |
| <b>Liabilities</b>                   |       |                   |                   |
| Trade and other payables             | 18    | 193,543           | 246,542           |
| Current tax payable                  | 11    | -                 | -                 |
| Provisions                           | 19    | 98,553            | 94,161            |
| <b>Total current liabilities</b>     |       | <b>292,096</b>    | <b>340,703</b>    |
| <b>Total non-current liabilities</b> |       | <b>-</b>          | <b>-</b>          |
| <b>Total Liabilities</b>             |       | <b>292,096</b>    | <b>340,703</b>    |
| <b>Net Assets</b>                    |       | <b>10,367,145</b> | <b>12,650,475</b> |
| <b>Equity</b>                        |       |                   |                   |
| Share capital                        | 15    | 39,198,764        | 39,145,581        |
| Reserves                             | 15    | 1,423,555         | 1,423,555         |
| Accumulated losses                   | 15    | (30,255,174)      | (27,918,661)      |
| <b>Total Equity</b>                  |       | <b>10,367,145</b> | <b>12,650,475</b> |

The Notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 30 JUNE 2016

|   | Attributable to owners of the Company |                           |   |                               |                      |
|---|---------------------------------------|---------------------------|---|-------------------------------|----------------------|
|   | Share Capital<br>US\$                 | Option<br>Reserve<br>US\$ | Foreign<br>Currency<br>Translation<br>Reserve<br>US\$ | Accumulated<br>Losses<br>US\$ | Total Equity<br>US\$ |
| <b>2016</b>   |                                       |                           |   |                               |                      |
| <b>Balance at 1 July 2015</b>   | 39,145,581                            | 836,728                   | 586,827   | (27,918,661)                  | 12,650,475           |
| Issue options   | -                                     | -                         | -   | -                             | -                    |
| Issue of shares   | 53,183                                | -                         | -   | -                             | 53,183               |
| <b>Total comprehensive (loss)<br/>for the year:</b>                                 |                                       |                           |   |                               |                      |
| Profit (loss) for the year  | -                                     | -                         | -   | (2,336,513)                   | (2,336,513)          |
| Other comprehensive profit<br>(loss) for the year:                                  | -                                     | -                         | -   | -                             | -                    |
| <b>Total comprehensive<br/>income (loss) for the year</b>                           | -                                     | -                         | -   | (2,336,513)                   | (2,336,513)          |
| <b>Balance at 30 June 2016</b>  | 39,198,764                            | 836,728                   | 586,827   | (30,255,174)                  | 10,367,145           |
| <b>2015</b>   |                                       |                           |   |                               |                      |
| <b>Balance at 1 July 2014</b>   | 39,145,581                            | 697,569                   | 316,443   | (23,448,824)                  | 16,710,769           |
| Issue of options  | -                                     | 139,159                   | -   | -                             | 139,159              |
| <b>Total comprehensive profit<br/>(loss) for the year:</b>                          |                                       |                           |   |                               |                      |
| Profit (loss) for the year  | -                                     | -                         | -   | (4,469,837)                   | (4,469,837)          |
| Other comprehensive profit<br>(loss) for the year:                                  |                                       |                           |   |                               |                      |
| Transfer of foreign<br>exchange<br>reserve on dissolution of a<br>controlled entity | -                                     | -                         | 270,384   | -                             | 270,384              |
| <b>Total comprehensive<br/>income (loss) for the year</b>                           | -                                     | -                         | 270,384   | (4,469,837)                   | (4,199,453)          |
| <b>Balance at 30 June 2015</b>  | 39,145,581                            | 836,728                   | 586,827   | (27,918,661)                  | 12,650,475           |

Amounts are stated net of tax

The Notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 30 JUNE 2016

|  | Notes     | 2016<br>US\$       | 2015<br>US\$       |
|--|-----------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                        |           |                    |                    |
| Cash paid to suppliers and employees                               |           | (2,290,121)        | (2,902,272)        |
| Interest received  |           | 43,942             | 72,880             |
| GST/VAT refunds received   |           | 252,410            | 290,302            |
| Tax (paid)/refund  | 11        | -                  | (3,248)            |
| <b>Net cash from (used in) operating activities</b>                | <b>14</b> | <b>(1,993,769)</b> | <b>(2,542,338)</b> |
| <b>Cash flows from investing activities</b>                        |           |                    |                    |
| Exploration and business development expenditure                   |           | (596,704)          | (1,134,743)        |
| <b>Net cash from (used in) investing activities</b>                |           | <b>(596,704)</b>   | <b>(1,134,743)</b> |
| <b>Net decrease in cash and cash equivalents</b>                   |           | <b>(2,590,473)</b> | <b>(3,677,081)</b> |
| Cash and cash equivalents at 1 July                                |           | 12,707,727         | 16,608,591         |
| Effects of exchange rate fluctuations on cash and cash equivalents |           | 55,344             | (223,783)          |
| <b>Cash and cash equivalents at 30 June</b>                        | <b>13</b> | <b>10,172,598</b>  | <b>12,707,727</b>  |

The Notes are an integral part of these consolidated financial statements.

The Company confirms that a copy of its latest Annual Report and Accounts will be available shortly on the Company's website ([www.globalpetroleum.com.au](http://www.globalpetroleum.com.au)) and full copies of the Directors' Report and 2015-2016 Financial Statements are available at:

<http://www.asx.com.au/asx/research/company.do#!/GBP>

The Company also confirms that the full version of the Annual Report and Accounts have today been posted to shareholders.

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