

**Global Petroleum Limited**

**SEPTEMBER 2018 QUARTERLY REPORT**

The Board of Global Petroleum Limited (“Global” or “Company”) is pleased to present its Quarterly Report for the period ending 30 September 2018.

**Summary**

- The Company focused on securing a Petroleum Agreement to acquire Block 2011A offshore Namibia, which was executed on 19 September 2018.
- The Licence for Block 2011A, designated PEL 0094, was issued post the reporting period.
- Block 2011A is located in the Walvis basin, immediately to the east of the Company’s current Licence, PEL 0029, which comprises Blocks 1910B and 2010A (see figure 1 below).
- Global will hold an 85% interest in PEL 0094 as operator - State oil Company Namcor, and Namibian private company Aloe Investments, will have carried interests of 10% and 5% respectively.
- The combination of the two Licences gives Global an interest in an aggregate area of 11,608 square kilometres offshore Namibia, which is one of the largest net acreage holdings in the region.
- During the reporting period the Company terminated the arrangement with Stellar Energy Advisors who had been conducting a structured farm-out process for PEL 0029. Although no farminee has been identified to date, the Company will continue to seek potential farm-in partners.
- Tullow Oil completed the well on its Cormorant prospect during the reporting period. Cormorant is located in Block 2012B to the south east of PEL 0094 (see Figure 1), and encountered hydrocarbons - Tullow noting that wet gas signatures, indicative of oil, were evident in the overlying shale to the Albian sandstones target.
- Global infers that the failure to encounter hydrocarbons in commercial quantities was due to factors which are specific to the Cormorant stratigraphic prospect. Accordingly, Global believes the well result does not impact on the prospectivity of its portfolio, which contains extremely large dip-closed structures as well as some stratigraphic prospects.
- The Company also notes that both Cormorant, and the subsequent Chariot Prospect S well to the south (which was completed post the reporting period), were drilled more rapidly than expected, which has favourable implications for future well costs in the area.
- In Italy, the Company continued to work with its Italian legal advisors in relation to the appeals lodged against the Environmental Decrees covering the Company’s four exploration licence

applications in the southern Adriatic, which are scheduled to be heard in Rome during October and November 2018.

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

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## Namibian Project

The Namibian Project consists of an 85% participating interest in Petroleum Exploration Licence (“PEL”) Number 0029 covering Blocks 1910B and 2010A and the recently acquired PEL 0094 which covers Block 2011A. **PEL0029**, 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 (Figure 1).

The Company’s wholly owned subsidiary, Global Petroleum Namibia Limited, formerly Jupiter Petroleum (Namibia) Limited, is operator of the Licence, with an 85% interest in the two blocks. Partners NAMCOR and Bronze Investments Pty Ltd (Bronze) hold 10% and 5% respectively, both as carried interests.

In December 2015, the Company entered into the First Renewal Exploration Period (Phase 2) of the Licence with a reduced Minimum Work Programme, making a mandatory relinquishment of 50% of the Licence Area. Phase 2 originally had a duration of 24 months.

Following reprocessing and evaluation of historic 2D data - as previously reported, the Company entered into a contract with Seabird Exploration of Norway in order to acquire 834 km of full fold 2D seismic data over its Blocks, which was shot in June/July 2017. Processing and interpretation of the new 2D seismic data was completed early in Q4 2017.

The new information significantly improved the prospectivity across PEL 0029 in general and the Gemsbok prospect in particular. Better imaging from the new 2D data revealed that the known source rock intervals are likely to be within the oil generative window and this, combined with data showing repeating oil seeps along the faulted flanks of Gemsbok, greatly improves the chance of a major oil discovery.

Consequently, the Company commissioned a Competent Person’s Report (“CPR”) in respect of its acreage from consultants AGR TRACS. Prospective resources have been calculated on three prospects: the Company’s primary structure, Gemsbok, as well as Dik Dik and Lion. The results of the CPR are set out in more detail in the Company’s announcement on 15 January 2018.

In late 2017, the Company also negotiated and agreed with the Namibian Ministry of Mines and Energy (“MME”) an extension of the First Renewal Exploration Period (Phase 2) of the Company’s Licence of 12 months to 3 December 2018. In addition, the MME has agreed entry into the Second Renewal Period (Phase 3) effective from 3 December 2018 for a period of two years.

The Minimum Work Programme for the one-year extension of Phase 2 is the acquisition of 600 square kilometres of 3D seismic data, contingent upon Global concluding a farm-out agreement with a third party to fund the acquisition of the 3D data. If the 3D acquisition is not completed during the Phase 2 extension period, it may be carried over into Phase 3. During Phase 3, the commitment is to drill one well (depth and location to be agreed) unless the MME and Global agree that circumstances dictate otherwise.

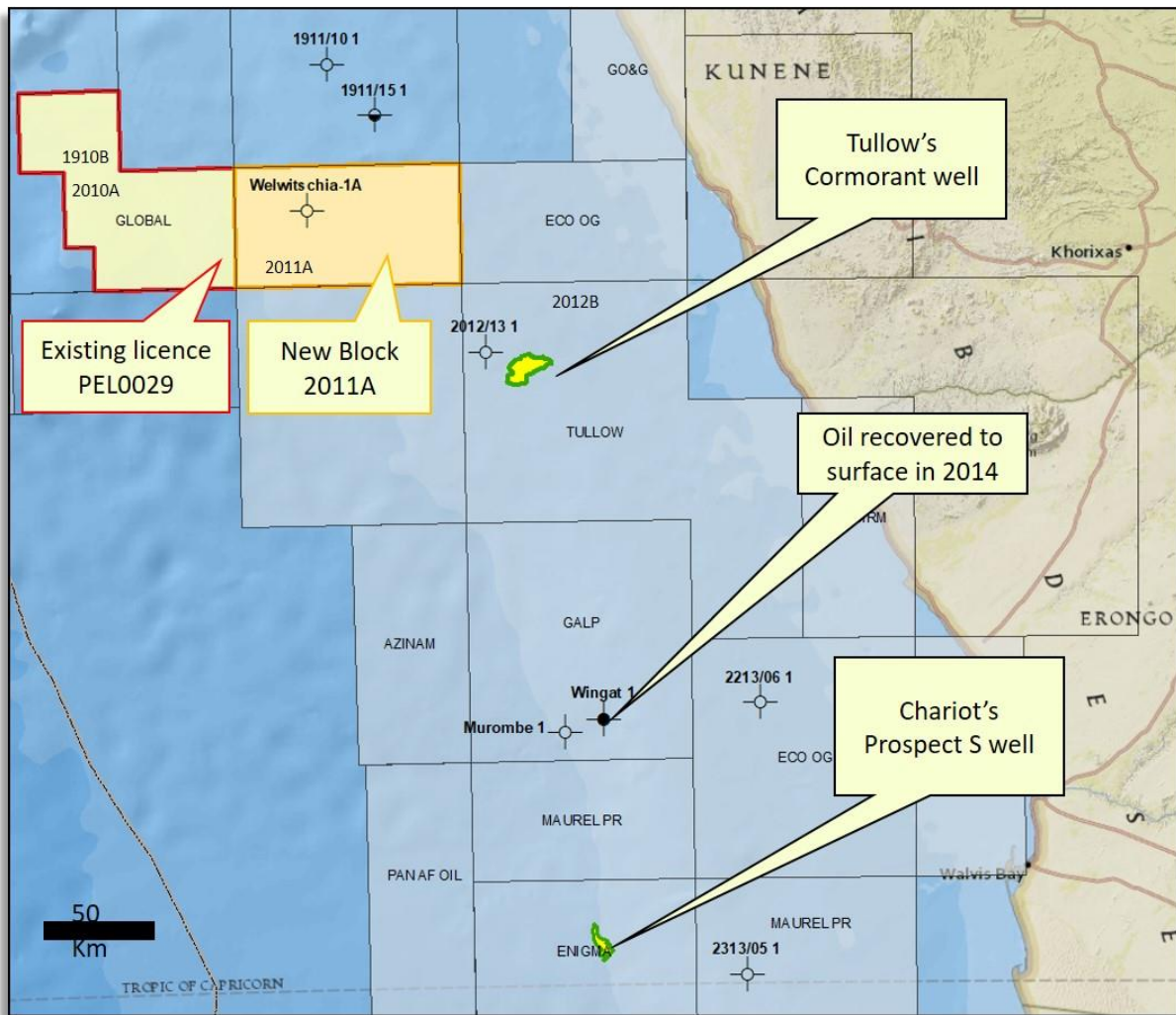
During the reporting period the Company terminated the arrangement with Stellar Energy Advisors who had been conducting a structured farm-out process for PEL 0029. Although no farminee has been identified to date, the Company will continue to seek potential farm-in partners.

**PEL 0094** is located in the northern Walvis basin, immediately to the east of PEL 0029 (Figure 1). Global will hold an 85% interest in the PEL 0094 as operator whilst State oil company, Namcor, and a local private company, Aloe Investments, will hold interests of 10% and 5% respectively, both as carried interests.

The combination of the two licences gives Global an interest in an aggregate area of 11,608 square kilometres offshore northern Namibia, and makes it one of the largest net acreage holders in the region. Global believes that PEL 0094 contains the same plays as those detailed in the CPR for PEL 0029.

Under the PEL 0094 work programme, in the first two years of the Initial Exploration Period, Global will carry out various studies and will reprocess all existing seismic in the licence area, which includes a 3D seismic data survey shot in the western part. The studies and reprocessing will enable the reservoirs in the Welwitschia structure and elsewhere in the acreage to be mapped with more confidence, and leads to be identified more accurately.

At the end of two years, Global has the option either to shoot a new 2,000 square kilometre 3D seismic data survey in the eastern part of Block 2011A, or alternatively to relinquish the licence.



**FIGURE 1 - Map of Namibia showing Global Licences.**

## **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” – Figure 2).

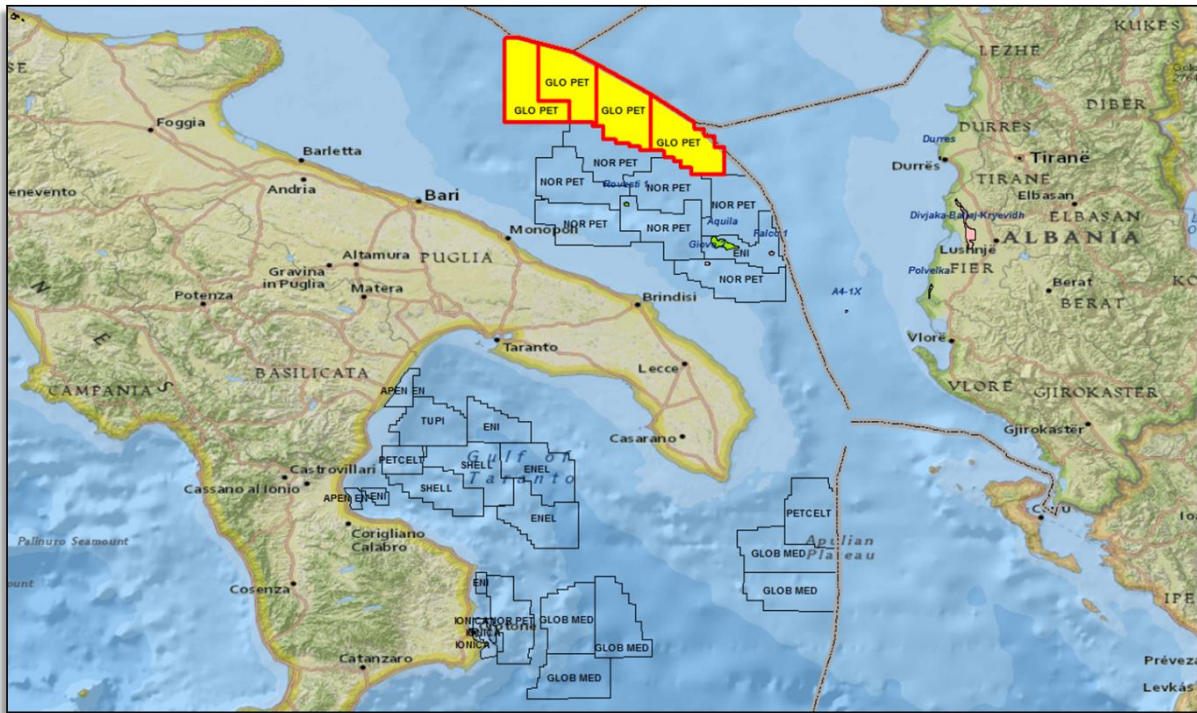
As previously reported, various local authorities and interest groups appealed against the Environmental Decrees in relation to applications d 82 F.R-GP and d 83 F.R-GP, which were published in October 2016. Publication of Environmental Decrees is the final administrative stage before grant of the Permits. The appeals against them are scheduled to be heard by the Latium Administrative Tribunal (Rome) in October 2018.

The Company announced in October 2017 that the remaining two Environmental Decrees in relation to the Permit Applications, designated d 80 F.R-GP and 81 F.R-GP, had been published by the Italian authorities.

As with the previous two Environmental Decrees, a number of appeals by various interested parties against the new Decrees have been notified to the Company and the Company has been notified that the appeals against the 2017 decrees will be heard in November 2018.

Global is encouraged that the appeals are in the process of being heard. The Company understands that recent appeals against other Environmental Decrees in the Southern Adriatic have been rejected by the same tribunal.

The Southern Adriatic and adjacent areas continue to be the focus of industry activity. Most notably, in Montenegro, offshore concessions were awarded in 2016 /2017 to Marathon, OMV and Eni/Novatek (the latter just 35 km from the nearest of the Applications). The four Application blocks are contiguous with the Italian median lines abutting Croatia, Montenegro and Albania respectively (Figure 2).



**FIGURE 2 - Map of Southern Adriatic showing Italian permit applications.**

**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.
- The Company signed a Petroleum Agreement to acquire Offshore Block 2011A, in the Republic of Namibia. Petroleum Exploration Licence Number 94 covering the Offshore Block 2011A was issued subsequent to 30 September 2018.
- Other than Block 2011A, no granted petroleum tenements were acquired or disposed of by the Company during the reporting period.
- No beneficial percentage interests in joint venture, farm-in or farm-out agreements were acquired or disposed of by the Company during the reporting period.

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