



**ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 31 OCTOBER 2011**

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## **SEPTEMBER 2011 QUARTERLY REPORT**

The Board of Global Petroleum Limited ("Global") is pleased to present its Quarterly Report for the period ending 30 September 2011.

### **Highlights**

- In August 2011, Global completed the acquisition of 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. Consideration for the acquisition included 25 million ordinary shares and the reimbursement of historical expenditure on the Namibian and Juan de Nova interests.
- During the quarter, the Company acquired and interpreted more than 2,000 kms of purchased 2D seismic data from the 1990s covering parts of the two blocks comprising Namibian Petroleum Exploration Licence 0029. The interpretation confirmed the presence of the two leads, previously identified in a Competent Person's Report prepared by Oilfield International in April 2011, and revealed both their extent and configuration with much greater clarity. The interpretation of the 2D seismic also confirmed the presence in Licence 0029 of several stratigraphic plays which could be of significant size.
- Following interpretation of the historic seismic data, the Company commenced a 2D seismic survey of approximately 2,000 kms over its prospective oil and gas exploration blocks offshore Namibia. Processing and interpretation of the data from the new 2D seismic survey is expected to be completed by the end of the year.
- At the Leighton Project in Texas, the second Eagle Ford well in which Global has an interest (Tyler Ranch EFS #2H) tested oil and gas at the initial rates of 1,488 bopd and 700 mcfcpd (combined 1,605 boepd) through a 16/64" choke at a flowing tubing pressure of 3,000 psi. During its first 30 days of production, Tyler Ranch EFS #2H, produced 30,400 boe (92% oil). The first Eagle Ford well, Tyler Ranch EFS #1H, produced 19,651 boe in its first 30 days.

Total production from the two Eagle Ford horizontal wells (Tyler Ranch EFS #1H and #2H) in which Global has an interest was 33,652 boe (28,975 bo and 28,061 mcf) for the September quarter or 366 boepd. Global has a 7.939% working interest (5.95% NRI) in approximately 1,651 acres beneath the Olmos formation including the Eagle Ford Shale.

- Leighton Olmos vertical production well, Peeler #3, begun to flow oil and gas in August 2011 at the combined rate of 370 boepd from the Olmos reservoir (comprising 325 bopd and 268 mcfgpd). This is the ninth well targeting the Olmos reservoir in which Global has a 15% working interest (11.25% net revenue interest).

Total combined production from the nine producing Olmos vertical wells in which Global has an interest was 46,692 boe (19,024 bo and 166,007 mcfg) or 508 boepd.

- Mr Peter Hill, a highly respected energy industry executive, commenced as Managing Director and Chief Executive Officer of the Company in September 2011.

### **Enquiries:**

#### **Global Petroleum Limited**

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#### **Northland Capital Partners Limited (Nominated Adviser and Broker)**

William Vandyk	Tel	+44 20 7796 8800
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## **Completion of Acquisition of Jupiter Petroleum Limited**

On 29 January 2011, the Company entered into a conditional share purchase agreement to acquire 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.

The agreement provided for Global to acquire 100% of Jupiter, a UK registered company which was owned 50% by Mr Peter Taylor and 50% by Mr Peter Blakey who are both also Directors of Global. The commercial terms of the acquisition included the issue of 25 million Global shares at settlement and the reimbursement of reasonable historical expenditure on the Namibian and Juan de Nova interests.

The Company loaned A\$251,102 to Jupiter in December 2010 to assist meet bank guarantee requirements and other licence payments for the Namibian licence whilst Global performed an initial assessment of Jupiter and its assets and undertook preliminary due diligence. In July 2011, Global agreed to lend Jupiter an additional US\$665,000 (A\$619,000) to meet work program commitments on the Namibian Project, including acquisition of two sets of historical seismic data covering sections of the Namibian Licence.

The final conditions precedent were satisfied in August 2011, and settlement occurred on 26 August 2011, including issue of the consideration shares and reimbursement of costs incurred in connection with obtaining the licence and other reasonable costs.

The acquisition of these interests enables Global to participate in the prospective and active exploration province of offshore Namibia and position itself as an African focused oil and gas explorer.



During the September quarter, Global acquired and interpreted more than 2,000 kms of purchased 2D seismic data from the 1990s. This confirmed the presence of the two leads (designated Structure A and Structure B), and revealed both their extent and configuration with much greater clarity. Table 1 presents Gross and Net Attributable Prospective Resources for the two leads, based on Global's interpretation of the 1990s' seismic (Note 1). Global's share is 85% (net of 5% government royalty).

Table 1 Gross and Net Attributable Prospective Resources for Namibia Licence 0029, Blocks 1910B and 2010A

	<b>Gross Best Estimate</b>	<b>Net to Global Best Estimate</b>
<b>Structure A</b>	4.30 billion boe	3.47 billion boe
<b>Structure B</b>	5.00 billion boe	4.04 billion boe

The interpretation of the 2D seismic has also confirmed the presence in Licence 0029 of several stratigraphic plays which could be of significant size.

A new seismic survey commenced in September and is being shot using a longer cable than the old surveys and will be of higher resolution. As well as better delineating the two structural leads and clarifying the extent of the stratigraphic plays, the new survey will provide data in areas currently lacking seismic coverage.

Processing and interpretation of the data from the current 2D seismic survey is expected to be completed by the end of the year.

Although only a few wells have been drilled in the area, they have established the presence of oil and gas-prone source rocks, good potential reservoirs and migrated hydrocarbons in the region, making this an attractive frontier play. It is believed that the regional basin or basins were formed in response to thermal subsidence following the rifting preceding the separation of Africa from South America.

The Jupiter blocks lie adjacent to acreage held by Arcadia Petroleum Limited (refer to Figure 1), whose partner Tower Resources has announced encouraging estimates (from a Competent Person's Report) for finding hydrocarbons in one or more of their prospects.

To the north east of the Jupiter blocks, a well drilled last year by Sintezneftgaz (Nakor Investments) reportedly found a substantial gas column whilst Chariot Oil and Gas has recently announced the identification of new structures and increases in its estimates of gross unrisked mean prospective resources in its licences in offshore Namibia. Chariot has shot 3D seismic and also has a Competent Person's Report.

Note 1

The assessment of Prospective Resources was conducted in compliance with the SPE Petroleum Resources Management System (SPE-PRMS) sponsored by the Society of Petroleum Engineers/American Association of Petroleum Geologists/World Petroleum Council/Society of Petroleum Evaluation Engineers (SPE/AAPG/WPC/SPEE) in March 2007.

Best Estimate Prospective Resources are defined as the volumes most likely to be recovered. The volumes could be higher or lower, and in Licence 0029 there is a wide spread between the Low and High Estimates, and uncertainty whether the leads contain oil, gas condensate or dry gas.

The assessment was undertaken by in-house specialists and external consultants, and managed by Jim Webb, a graduate geologist with 40 years' experience in *geophysics and exploration geology*.

## Juan de Nova Project

Jupiter has a 30% interest in the Juan de Nova Est Permit which was issued by the French Government in December 2008. The Permit covers approximately 9,010 square kilometers 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 Figure 2).

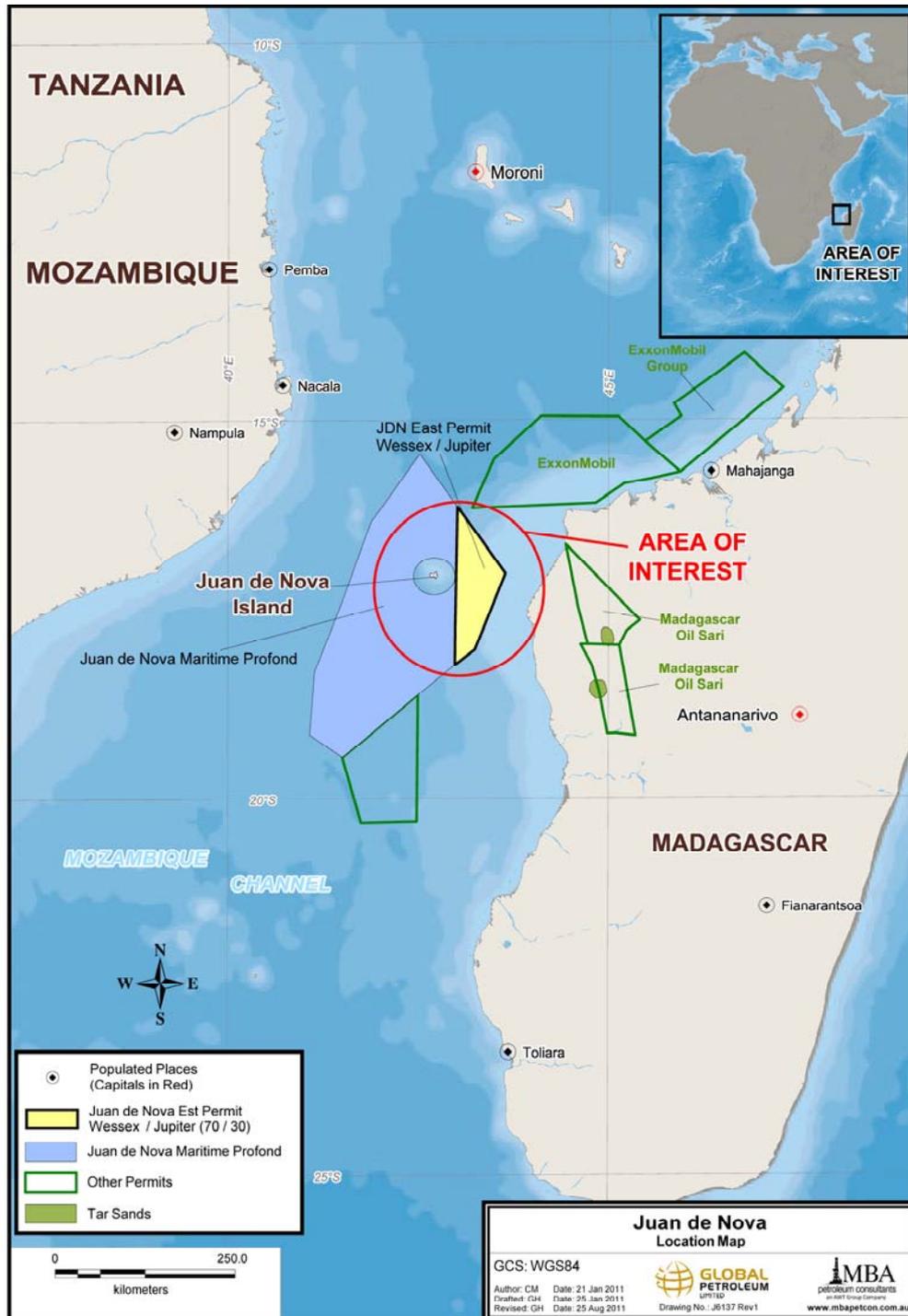


FIGURE 02

The permit lies within the exclusive economic zone surrounding Juan de Nova which is under French control.

Water depths range from 200 metres to approximately 1,500 metres, with at least half of the permit lying in shallow water on the continental shelf of the island of Madagascar. The shallow water shelf area is probably underlain by late Paleozoic to early Mesozoic rocks, mainly sandstones and shales with interbedded volcanics, whilst the deeper water areas are probably underlain by younger rocks of late Mesozoic and Tertiary age, whose lithology is unknown.

No systematic petroleum exploration has taken place around Juan de Nova and this area is considered to be a frontier province.

Wessex Exploration PLC is the operator and 70% equity holder in the Juan de Nova Est Permit. The current term of the exploration permit runs to 31 December 2013 with three phases of exploration and a production period of 25 years for any discovery made. The work obligations for the current term of the exploration permit include geologic studies, seismic acquisition and reprocessing and a commitment to drill one well with a contingency for a second well. The total financial commitment for this period is €27.92 million with Jupiter's share being €8.38 million.

Wessex has engaged an agent to assist in finding a partner who is willing to earn into the Juan de Nova Est Permit by funding exploration activities. Jupiter's interest in the Juan de Nova Est Permit would be part of any farmout arrangement.

Preliminary work undertaken on the permit to-date has included an assessment of available data and an extensive review of literature on the North Morondava Basin in which the permit lies.

## Leighton Project

The second Eagle Ford well in which Global has an interest (Tyler Ranch EFS #2H) commenced drilling in June and successfully drilled 4,500 feet of horizontal well in the Eagle Ford reservoir in July 2011 having previously reached its total depth of 15,767 feet. The well tested oil and gas at the initial rates of 1,488 bopd and 700 mcfgpd (combined 1,605 boepd) through a 16/64" choke at a flowing tubing pressure of 3,000 psi and was connected for oil and gas production in August 2011.

Results of the first 30 days of production were released in October, having produced 30,400 boe (92% oil). The first Eagle Ford well, Tyler Ranch EFS #1H, produced 19,651 boe in its first 30 days.

Total production from the two Eagle Ford horizontal wells (Tyler Ranch EFS #1H and #2H) was 33,652 boe (28,975 bo and 28,061 mcfg) for the September quarter or 366 boepd.

Global's beneficial interest (NRI) in the production is 5.95% or some 2,002 boe for the quarter or 21.8 boepd.

Global has a 7.939% working interest in approximately 1,651 acres beneath the Olmos formation including the Eagle Ford Shale. Global's interest in the Leighton Project also includes a 15% working interest in approximately 873 acres from the surface down to the stratigraphic equivalent of the Olmos formation.

Drilling of the ninth Leighton Olmos well - Peeler #3 commenced in June and reached its total vertical depth of 2,774 metres (9,100 feet) in July. The Olmos in Peeler #3 has similar reservoir characteristics to the Olmos in the previous Leighton wells. Peeler #3 began to flow oil and gas in August 2011 at the combined rate of 370 boepd from the Olmos reservoir (comprising 325 bopd and 268 mcfgpd).

The combined average daily production rate of the nine (9) Leighton Olmos wells for the September quarter was a gross 508 boepd (207 bopd and 1,804 mcfgpd) with Global's beneficial interest (11.25% NRI) being 57 boepd.

As advised in October, the Company has appointed Houston based Albrecht & Associates to seek buyers for its interest in the Olmos production and related leases which form part of the Leighton Project. The sale follows the lead of Texon Petroleum Limited, the major partner in the Leighton Project who are seeking buyers for their Olmos assets.

Global will retain its 7.939% working interest (5.95% NRI) in approximately 1,651 acres beneath the Olmos formation including the Eagle Ford Shale.

## **Business Development**

The Board continues to review opportunities for other acquisitions, joint ventures, or investments in the resources sector, both domestic and overseas, which may enhance shareholder value. A number of new opportunities were assessed during the quarter and the Company will continue to evaluate these opportunities as they are presented.

### **Glossary:**

bbl:	barrel
bo:	barrels of oil
boe:	barrels of oil equivalent (including gas converted to oil equiv barrels on basis of 6 mcf to 1 barrel of oil equivalent)
boepd:	barrels of oil equivalent per day
bopd:	barrels of oil per day
mcf:	thousand cubic feet
mcfg:	thousand cubic feet of gas
mcfgpd:	thousand cubic feet of gas per day
mmbtu:	million British thermal units
NRI:	Net Revenue Interest

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

**GLOBAL PETROLEUM LIMITED**

ABN

**68 064 120 896**

Quarter ended ("current quarter")

**30 SEPTEMBER 2011**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	413	413
1.2 Payments for (a) exploration & evaluation	(1,239)	(1,239)
(b) development	-	-
(c) production	-	-
(d) administration	(306)	(306)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	252	252
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- Business development	-	-
<b>Net Operating Cash Flows</b>	<b>(880)</b>	<b>(880)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	(411)	(411)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(647)	(647)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
- Cash on acquisition	138	138
- Transaction costs	(116)	(116)
<b>Net investing cash flows</b>	<b>(1,036)</b>	<b>(1,036)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,916)</b>	<b>(1,916)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,916)	(1,916)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(1,916)	(1,916)
1.20	Cash at beginning of quarter/year to date	25,317	25,317
1.21	Exchange rate adjustments to item 1.20	495	495
1.22	<b>Cash at end of quarter</b>	23,896	23,896

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	128
1.24	Aggregate amount of loans to the parties included in item 1.10	647

1.25 Explanation necessary for an understanding of the transactions

Payment of director's fees, salary and superannuation, consulting fees and provision of a serviced office.

The loan of \$647,000 was made to Jupiter Petroleum Limited prior to completion of the acquisition by Global (from Messrs Taylor and Blakey), to enable Jupiter to meet its obligations under the Namibian Licence. Following acquisition, this loan is now considered to be an intercompany loan and is eliminated on consolidation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter, the Company completed the acquisition of Jupiter Petroleum Limited. Consideration for the acquisition included the issue of 25,000,000 shares and the reimbursement of costs in accordance with the Share Purchase Agreement amounting to \$411,414.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	-
4.3 Production	-
4.4 Administration	300
<b>Total</b>	<b>1,100</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	8,156	7,817
5.2 Deposits at call	15,740	17,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>23,896</b>	<b>25,317</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

6.2 Interests in mining tenements acquired or increased	Namibian PEL 0029	Participating Interest	0%	85%
	Juan de Nova Est Permit	Participating Interest	0%	30%

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	199,444,787	199,444,787		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	25,000,000	25,000,000		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	400,000	-	<i>Exercise price</i> \$0.25	<i>Expiry date</i> 30 June 2014
7.8 Issued during quarter	400,000	-	<i>Exercise price</i> \$0.25	<i>Expiry date</i> 30 June 2014

+ See chapter 19 for defined terms.

7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~\* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 October 2011  
(~~Director~~/Company secretary)

Print name: Clint McGhie

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.