GLOBAL PETROLEUM LIMITED

ABN 68 064 120 896

Interim Financial Report for the Half Year Ended 31 December 2011

DIRECTORS' REPORT

Directors
Mr Mark Savage – Chairman
Mr Peter Blakey
Mr Peter Taylor
Mr Peter Hill (from 2 August 2011)
Mr Ian Middlemas (to 31 December 2011)
Mr Clint McGhie (to 31 December 2011)
Mr Peter Dighton (from 31 December 2011)
Mr Damien Cronin (from 31 December 2011)

Company Secretary
Mr Clint McGhie (to 31 December 2011)
Mr Damien Cronin (from 31 December 2011)

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Stock Exchange Listings
Australian Securities Exchange (Symbol: GBP)
Home Exchange: Brisbane Office
Riverside Centre
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Brisbane QLD 4000
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Alternative Investment Market (AIM) of the London Stock Exchange (Symbol: GBP)

Solicitors
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Auditor
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Brisbane QLD 4001
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The directors of Global Petroleum Limited ("the Company" or "Global") present their report together with the consolidated financial report for the half year ended 31 December 2011 and the review report thereon.

DIRECTORS

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

Mr Mark Savage
Mr Peter Blakey
Mr Peter Taylor
Mr Peter Hill (appointed 2 August 2011)
Mr Ian Middlemas (retired 31 December 2011)
Mr Clint McGhie (retired 31 December 2011)
Mr Peter Dighton (appointed 31 December 2011)
Mr Damien Cronin (appointed 31 December 2011)

REVIEW OF OPERATIONS

Operating Results

During the six months ended 31 December 2011, the consolidated group recorded a profit after tax of $222,695 (six months ended 31 December 2010: loss of $839,737). This is a 126% increase compared to the previous corresponding period and is mainly attributable to several Leighton Project wells commencing production.

Consolidated revenue for the six month ended 31 December 2011 was $1,154,413 (six months ended 31 December 2010: revenue of $573,507). This represents an increase of 101% resulting from production commencing in the second Eagle Ford well and further wells commencing production in the Leighton Olmos area.

Board Changes

Mr Peter Hill, a highly respected energy industry executive, commenced as Managing Director and Chief Executive Officer of the Company in September 2011. Mr Ian Middlemas, a Non-Executive Director, and Mr Clint McGhie, a Non-Executive Director and Company Secretary, retired on 31 December 2011. On the same day, Mr Peter Dighton and Mr Damien Cronin, experienced consultants to the oil and gas sector, were appointed Non-Executive Directors of the Company. Mr Cronin was also appointed Company Secretary.

Principal Activities

Leighton Project

The second Eagle Ford well in which Global has an interest (Tyler Ranch EFS #2H) commenced production in August 2011.

Total production from the two Eagle Ford horizontal wells (Tyler Ranch EFS #1H and #2H) was 98,512 boe (84,654 bo and 83,147 mcfg) for the December Quarter or 1,071 boepd.

Global's beneficial interest (NRI) in the production is 5.95% or some 5,861 boe for the reporting period or 63.8 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.

The ninth Leighton Olmos well - Peeler #3 commenced production in August 2011.

Leighton Project (continued)

The combined average daily production rate of the nine (9) Leighton Olmos wells for the reporting period was a gross 1,095 boepd (436 bopd and 3,953 mcfgpd) with Global's beneficial interest (11.25% NRI) being 123 boepd.

Olmos

The Company appointed Houston based Albrecht & Associates to seek buyers for its interest in the Olmos production wells and related leases which form part of the Leighton Project. The sale follows the lead of Texon, the major participant in the Leighton Project which also sought buyers for its Olmos assets.

The Company announced on 8 March 2012 that it completed a Purchase and sale Agreement with a US based purchaser, SV Resource Partners LLC. The Company's proceeds from the sale amount to US$2.8 million.

Eagle Ford

The Company announced on 27 February 2012 that it has also appointed Houston based Albrecht & Associates as well as RBS Morgans Limited to seek buyers for its interest in the Eagle Ford production wells and related leases which form part of the Leighton Project. The sale follows the lead of Texon, the major participant in the Leighton Project which is seeking buyers for its Eagle Ford assets. The buyer identification aspect of the sale process has commenced.

Acquisition of Jupiter Petroleum Limited

Final conditions precedent of the acquisition of Jupiter Petroleum Limited ("Jupiter") were satisfied in August 2011 following approval of the transaction by shareholders at a General Meeting on 19 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 Jupiter enables Global to participate in the prospective and active exploration province of offshore Namibia and other areas in Africa and position itself as an African focused oil and gas explorer.

Namibian Project

The Namibian Project consists of an 85% participating interest in Petroleum Exploration Licence Number 29 ("Licence") held by Jupiter (a 100% subsidiary of Global) 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 1,200 meters to 3,000 meters.

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.

Two leads had previously been identified in the licence area based on an examination of the limited historical data available.

During the reporting period, 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 and revealed both their extent and configuration with much greater clarity. Global's share is 85% (net of 5% government royalty).

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 was shot during the accounting period using a longer cable than the old surveys and is of higher resolution. As well as better delineating the two structural leads and clarifying the extent of the stratigraphic plays, the new survey is expected to provide data in areas currently lacking seismic coverage.

Namibian Project (continued)

Interpretation of the data from the 2D seismic survey is presently continuing. When interpretation is completed, a decision will be made on the carrying out of a 3D seismic survey to focus on areas of interest identified by the 2D results. The next weather window for seismic operations offshore Namibia will commence in September/October 2012.

Juan de Nova Project

Jupiter has a 30% interest in the Juan de Nova Est Permit ("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.

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 Paleozic 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 Permit. The current term of the 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 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 ($35.53 million) with Jupiter's share being €8.38 million ($10.66 million).

Wessex has engaged an agent to assist in finding a participant that is willing to earn into the Permit by funding exploration activities. Jupiter's interest in the Permit would be part of any farmout arrangement. Work continued during the reporting period, in conjunction with Wessex Exploration PLC, in identifying suitable parties to farm into the Permit

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.

Business Development

The Board continues to review opportunities for other acquisitions, joint ventures, or investments in the resources sector, which may enhance shareholder value. In this connection, the Board declined to participate in a further well in licence EA5 in Uganda (below). Following the sale of its Olmos and particularly its Eagle Ford interests, the Board expects to be in a strong financial position to fund future business development. The focus is expected to remain on Africa.

SUBSEQUENT EVENTS

Uganda Project

Uganda Licence EA5 ("Licence EA5") is a 2,491 square kilometre licence area situated at the northern end of the Albertine Graben in northern Uganda. Global had an agreement with Neptune Petroleum (Uganda) Limited, a wholly owned subsidiary of Tower Resources PLC ("Tower"), whereby Global had a continuing option to participate in Licence EA5, while having no current obligation to contribute to ongoing expenditure.

Global participated in the first two wells drilled by Tower on Licence EA5. The first well did not encounter any producible reservoir sands. The apparent lack of reservoir did not justify further testing. The second well did not encounter oil. Electronic logging confirmed the absence of oil and gas.

Following the reporting period, and following discussions with Tower, Global announced on 6 January 2012 that it had chosen not to take up its option to participate in the third well planned on Licence EA5. On 23 February 2012, Tower announced that no significant hydrocarbon shows were encountered on the third well and that the well was being plugged and abandoned. The final exploration period ends on 26 March 2012.

Olmos and Eagle Ford

See above under Principal Activities – Olmos and Eagle Ford.

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

GLOBAL PETROLEUM LIMITED

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

The lead auditor's independence declaration is set out on page 7 and forms part of the directors' report for the half year ended 31 December 2011.

Signed in accordance with a resolution of Directors.

DAMIEN CRONIN
Director and Company Secretary

15 March 2012

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 2011 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Robert S Jones
Partner

Brisbane

15 March 2012

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Note	31 December 2011 $	31 December 2010 $
Oil and gas revenue		1,154,413	573,507
Cost of sales		(401,339)	(284,855)
Gross profit		753,074	288,652
Administration costs		(1,076,122)	(544,623)
Foreign exchange gain/(loss)		213,935	(1,100,255)
Equity based remuneration		(119,659)	-
Results from operating activities		(981,846)	(1,356,226)
Net financial income	3	451,467	516,489
Net finance income		451,467	516,489
Profit/(loss) before income tax		**222,695**	**(839,737)**
Income tax benefit/(expense)		-	-
Profit/(loss) for the period - attributable to members of Global Petroleum Limited		**222,695**	**(839,737)**
Other comprehensive income			
Foreign currency translation differences for foreign operations		116,751	(216,855)
Other comprehensive loss for the period		116,751	(216,855)
Total comprehensive income/(loss) for the period - attributable to members of Global Petroleum Limited		**339,446**	**(1,056,592)**
		Cents	**Cents**
Basic earnings/(loss) per share		0.12	(0.48)
Diluted earnings/(loss) per share		0.12	(0.48)

The Condensed Consolidated Interim Statement of Comprehensive Income is to be read in conjunction with the attached notes to the Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	31 December 2011 $	30 June 2011 $
ASSETS			
Current assets			
Cash and cash equivalents		22,435,751	25,317,051
Trade and other receivables		854,479	506,446
Assets classified as held for sale		2,172,013	-
Total current assets		**25,462,243**	**25,823,497**
Non-current assets			
Trade and other receivables		-	231,193
Oil and gas assets	5	1,354,064	2,401,417
Exploration assets	6	8,142,708	-
Total non-current assets		**9,496,772**	**2,632,610**
TOTAL ASSETS		**34,959,015**	**28,456,107**
LIABILITIES			
Current liabilities			
Trade and other payables		317,381	258,627
Current tax payable		1,404,237	1,398,319
Total current liabilities		**1,721,618**	**1,656,946**
Non-current liabilities			
Provisions		16,090	38,473
Deferred tax liability		417,998	401,387
Total non-current liabilities		**434,088**	**439,860**
TOTAL LIABILITIES		**2,155,706**	**2,096,806**
NET ASSETS		**32,803,309**	**26,359,301**
EQUITY			
Issued capital	4	41,574,956	35,590,053
Reserves		(182,959)	(419,369)
Accumulated losses		(8,588,688)	(8,811,383)
TOTAL EQUITY		**32,803,309**	**26,359,301**

The Condensed Consolidated Interim Statement of Financial Position is to be read in conjunction with the attached notes to the Condensed Consolidated Interim Financial Statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	31 December 2011 $	31 December 2010 $
Cash flows from operating activities		
Cash paid to suppliers and employees	(1,607,987)	(612,679)
Refunds of GST	(34,482)	26,893
Oil and gas revenue received	803,285	575,015
Interest received	431,108	516,757
Net cash provided by/(used in) operating activities	**(408,076)**	**505,986**
Cash flows from investing activities		
Exploration and oil and gas assets expenditure	(2,418,048)	(1,030,264)
Payment for acquisition of Jupiter Petroleum Limited	(411,414)	-
Cash on acquisition of Jupiter Petroleum Limited	138,517	-
Loan to director-related entity	-	(251,102)
Net cash from/(used in) investing activities	**(2,690,945)**	**(1,281,366)**
Net increase/(decrease) in cash and cash equivalents	**(3,099,021)**	**(775,380)**
Cash and cash equivalents at 1 July	25,317,051	27,898,875
Effect of exchange rate changes on cash and cash equivalents	217,721	(1,167,808)
Cash and cash equivalents at 31 December	**22,435,751**	**25,955,687**

The Condensed Consolidated Interim Statement of Cash Flows is to be read in conjunction with the attached notes to the Condensed Consolidated Interim Financial Statements.

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	Share Capital $	Option Reserve $	Foreign Currency Translation Reserve $	Accumu-lated Losses $	Total Equity $
Six Months Ended 31 December 2011					
Balance at 1 July 2011	**35,590,053**	**-**	**(419,369)**	**(8,811,383)**	**26,359,301**
Issue of new shares	5,984,903	-	-	-	5,984,903
Issue of options	-	119,659	-	-	119,659
Total comprehensive profit/(loss) for the period:					
Net profit/(loss) for the period	-	-	-	222,695	222,695
Other comprehensive profit/(loss):					
Foreign exchange translation differences	-	-	116,751	-	116,751
Total comprehensive profit/(loss) for the period	-	-	116,751	222,695	339,446
Balance at 31 December 2011	**41,574,956**	**119,659**	**(302,618)**	**(8,588,688)**	**32,803,309**

The Condensed Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the attached notes to the Condensed Consolidated Interim Financial Statements.

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	Share Capital $	Foreign Currency Translation Reserve $	Accumu-lated Losses $	Total Equity $
Six Months Ended 31 December 2010				
Balance at 1 July 2010	**35,590,053**	**(97,208)**	**(7,245,032)**	**28,247,813**
Total comprehensive profit/(loss) for the period:				
Net profit/(loss) for the period	-	-	(839,737)	(839,737)
Other comprehensive profit/(loss):				
Foreign exchange translation differences	-	(216,855)	-	(216,855)
Total comprehensive profit/(loss) for the period	-	(216,855)	(839,737)	(1,056,592)
Balance at 31 December 2010	**35,590,053**	**(314,063)**	**(8,084,769)**	**27,191,221**

The Condensed Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the attached notes to the Condensed Consolidated Interim Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

Global Petroleum Limited is a company 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 2011 comprises the Company and its Subsidiaries (together referred to as the "Group"). The Group primarily is involved in oil and gas exploration and development.

The consolidated annual financial statements of the group as at and for the year ended 30 June 2011 is 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.

(b) 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.*

The interim financial report has been prepared on the basis of historical cost, except for the revaluation of available-for-sale investments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted by the Group in the preparation of the half year financial report are consistent with those adopted and disclosed in the consolidated financial report as at and for the year ended 30 June 2011, other than as detailed below.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011. The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods.

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 March 2011.

(c) Estimates

The preparation of the interim financial report requires management to 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.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity'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 2011.

2. SEGMENT INFORMATION

The Group has two reportable segments as described below, which are the Group's strategic business units. The strategic business units undertake the same business activity – oil and gas exploration and development. They are managed separately as they are operated in different geographical areas and require different technology and marketing strategies. For each of the strategic business units, the Directors review internal management reports at least half yearly.

The following summary describes the operations of each of the reportable segments:

- Africa – Oil and gas exploration in Africa
- USA – Oil and gas production in USA

31 December 2011	Africa $	USA $	Consolidated $
Segment revenue			
Revenue from external customers	-	1,154,413	1,154,413
Total revenue		**1,154,413**	**1,154,413**
Result			
Segment result	-	753,074	753,074
Profit for the period		**753,074**	**753,074**
Assets			
Segment assets	8,245,880	4,350,327	12,596,207
Unallocated assets			22,362,808
			34,959,015

2. SEGMENT INFORMATION (CONTINUED)

Whilst the Group has not changed its basis of segmentation or the basis of measurement of segment profit or loss from the last annual statements, during this interim period the Group has acquired Jupiter Petroleum Limited which, whilst incorporated in the UK, conducts all its activities in Southern Africa.

31 December 2010	Africa $	USA $	Consolidated $
Segment revenue			
Revenue from external customers	-	573,507	573,507
Total revenue		**573,507**	**573,507**
Result			
Segment result	-	288,652	288,652
Profit for the period		**288,652**	**288,652**
Assets			
Segment assets	251,102	2,236,306	2,487,408
Unallocated assets	-	-	25,972,905
			28,460,313

30 June 2011	Africa $	USA $	Consolidated $
Assets			
Segment assets	-	2,889,445	2,889,445
Unallocated assets	-	-	25,566,662
			28,456,107

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2. SEGMENT INFORMATION (CONTINUED)

	31 December 2011 $	31 December 2010 $
Reconciliation of reportable segment profit or loss before tax		
Total profit/(loss) for reportable segments	753,074	288,652
Interest income	451,467	516,489
Administration costs	(1,076,122)	(544,623)
Foreign exchange gain/(loss)	213,935	(1,100,255)
Equity based remuneration	(119,659)	-
Consolidated profit/(loss) after tax	**222,695**	**(839,737)**

3. PROFIT/(LOSS) FROM OPERATIONS

	31 December 2011 $	31 December 2010 $
(a) Net financial income		
Interest income	451,647	516,757
Interest expense	-	(268)
	451,647	516,489

4. EQUITY SECURITIES LISTED

Ordinary share issued

12.5 million fully paid ordinary shares were issued to Mr Peter Blakey and 12.5 million fully paid ordinary shares were issued to Mr Peter Taylor on the 26th August 2011 for the price per share of $0.24 as consideration for the acquisition of 100% of the issued capital of Jupiter following shareholder approval at the General Meeting on 19 August 2011. Those shares remain in escrow until 26 August 2012.

Options issued

On 19 August 2011, the Company granted a total of 400,000 incentive options to a director and other key consultants of the Company. The incentive options vested immediately and are exercisable at $0.25 each on or before 30 June 2014 and have been valued at $0.15 per option. The total fair value of the incentive options of $60,000 has been recognised as an expense in accordance with accounting standards.

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4. EQUITY SECURITIES LISTED (CONTINUED)

Options issued (continued)

On 1 September 2011, the Company granted a total of 6,000,000 incentive options to Mr Hill, as detailed below, with a total fair value of $496,250. This fair value has been recognised as an expense over the vesting period of the Options in accordance with accounting standards.

Option grant details:

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.

5. OIL AND GAS ASSETS

	$
Balance at 1 July 2011	2,401,417
Foreign currency movement	85,527
Expenditure incurred and capitalised during the period	1,213,575
Asset re-classified as held for sale	(2,172,013)
Amortisation	(174,442)
Balance at 31 December 2011	**1,354,064**

6. EXPLORATION ASSETS

	$
Balance at 1 July 2011	-
Exploration licences acquired on acquisition of Jupiter Petroleum Limited	7,521,365
Expenditure incurred and capitalised during the period	608,882
Foreign currency movement	12,461
Balance at 31 December 2011	**8,142,708**

On 26 August 2011, the Company completed the acquisition of Jupiter Petroleum Limited (“Jupiter”), a UK registered company, which holds prospective oil and gas exploration interests in offshore Namibia and in offshore Juan de Nova, a French dependency in the Mozambique Channel.

6. EXPLORATION ASSETS (CONTINUED)

The transaction is recorded as an acquisition of exploration and evaluation assets and is accordingly recorded at the cost of acquisition of $7,521,365. Consideration for the acquisition consisted of 25,000,000 shares in Global Petroleum at the price on 26 August 2011, plus other assets.

7. RELATED PARTIES

(a) Options and rights over equity instruments

On 19 August 2011, the Company granted a total of 400,000 Incentive Options to a director and other key consultants of the Company. The Incentive Options vested immediately and are exercisable at $0.25 each on or before 30 June 2014 and have been valued at $0.15 per Option. The total fair value of the Incentive Options of $60,000 has been recognised as an expense in accordance with accounting standards.

In connection with the acquisition of Jupiter Petroleum Limited, Mr Peter Blakey and Mr Peter Taylor were issued a total of 25 million fully paid ordinary shares. These shares were valued at $5,984,903 after related costs.

Mr Hill was appointed as a Director on 1 September 2011. Mr Hill will receive a salary of £220,000 ($335,459) plus pension contributions of £30,000 ($45,744) per annum and a discretionary bonus subject to the achievement of key performance indicators.

1. He was also granted the following options.
   - v. 1,500,000 incentive options exercisable at A$0.25 each on or before 1 April 2014, vesting on 1 April 2012;
   - vi. 1,750,000 incentive options exercisable at A$0.30 each on or before 1 October 2014, vesting on 1 October 2012;
   - vii. 1,750,000 incentive options exercisable at A$0.35 each on or before 1 April 2015, vesting on 1 April 2013; and
   - viii. 1,000,000 incentive options exercisable at A$0.45 each on or before 1 October 2015, vesting on 1 October 2013.

The total fair value of the Incentive Options of $496,250 has been recognised as an expense over the vesting period of the Options in accordance with accounting standards.

(b) 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.

As part of the acquisition of Jupiter Petroleum Limited, the Company has also reimbursed the Vendors, Mr Peter Blakey and Mr Peter Taylor, for costs incurred in connection with obtaining the licence and other reasonable costs in connection with the agreement totalling approximately $411,414.

7. RELATED PARTIES (CONTINUED)

(b) Other key management personnel transactions (continued)

Mr P Dighton and Mr D Cronin were appointed directors on the 31st December 2011, during the period they provided consulting services to Global amounting to $33,593 and $12,500 respectively. Mr C McGhie was paid an additional $31,009 for consulting services. These consulting services were provided on normal terms and conditions.

8. CONTINGENCIES

There have been no changes in contingent liabilities since 30 June 2011.

9. COMITTMENTS

In order to maintain current rights of tenure of the exploration licences, Global will be required to perform minimum exploration work to meet the minimum expenditure requirements specified in the Namibian Licence and the Juan de Nova Permit. The obligations include:

<u>Namibian Licence:</u>

(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 1,000kms of 2-D seismic data. Minimum exploration expenditure for the Initial Exploration Period: US$1 million ($0.98 million).

(b) **First Renewal Exploration Period** (Two Years):
The drilling of one exploration well. Minimum exploration expenditure for the First Renewal Exploration Period: US$20 million ($19.65 million).

(c) **Second Renewal Period** (Two Years):
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 ($19.65 million), or US$ 21 million ($20.64 million) if new seismic is required.

Jupiter has a 85% interest in the Namibian Licence, however, it is responsible for 100% of the expenditure requirements with its joint venture partners holding a total of 15% free carried interest.

<u>Juan de Nova Permit:</u>

The work obligations for the current term of the Juan de Nova 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 the current term ending 31 December 2013 is €27.92 million ($35.53 million) with Jupiter's 30% share being €8.38 million ($10.66 million).

10. SUBSEQUENT EVENTS

Uganda Project

Uganda Licence EA5 ("Licence EA5") is a 2,491 square kilometre licence area situated at the northern end of the Albertine Graben in northern Uganda. Global has an agreement with Neptune Petroleum (Uganda) Limited, a wholly owned subsidiary of Tower, whereby Global had a continuing option to participate in Licence EA5, while having no current obligation to contribute to ongoing expenditure.

Global participated in the first two wells drilled by Tower on Licence EA5. The first well did not encounter any producible reservoir sands. The apparent lack of reservoir did not justify further testing. The second well did not encounter oil. Electronic logging confirmed the absence of oil and gas.

Subsequent to 31 December 2011, and following discussions with Tower, Global announced on 6 January 2012 that it had chosen not to take up its option to participate in the third well planned on Licence EA5. On 23 February 2012, Tower announced that no significant hydrocarbon shows were encountered on the third well and wire logging and fluid sampling confirmed the well was water bearing and that the well was being plugged and abandoned. The final exploration period ends on the 26 March 2012.

Olmos

The Company appointed Houston based Albrecht & Associates to seek buyers for its interest in the Olmos production wells and related leases which form part of the Leighton Project. The sale follows the lead of Texon, the major participant in the Leighton Project which also sought buyers for its Olmos assets.

The Company announced on 8 March 2012 that it completed a Purchase and Sale Agreement with a US based purchaser, SV Resource Partners LLC. The Company's proceeds from the sale amount to US$2.8 million ($2.64 million).

Eagle Ford

The Company announced on 27 February 2012 that it has also appointed Houston based Albrecht & Associates as well as RBS Morgans Limited to seek buyers for its interest in the Eagle Ford production wells and related leases which form part of the Leighton Project. The sale follows the lead of Texon, the major participant in the Leighton Project which is seeking buyers for its Eagle Ford assets. The buyer identification aspect of the sale process has commenced.

Other than as outlined above, there were no significant events occurring after 31 December 2011 requiring disclosure.

DIRECTORS' DECLARATION

In the opinion of the directors of Global Petroleum Limited ("the Company"):

1. The financial statements and notes, set out on pages 8 to 20, 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 2011 and of its performance, as represented by the results of its operations and cash flows, for the half year 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

15 March 2012

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 2011, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 10 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 half-year.

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 2011 and its performance for the half-year 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 a 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*

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 2011 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Robert S Jones
Partner

Brisbane

15 March 2012