



ABN 68 064 120 896

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## Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held at the Kimono Room, Level 2, Christie Centre, Corner of Wharf and Adelaide Streets, Brisbane, Queensland on Tuesday 13 November 2012 at 11 am (EST).**

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*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*



# GLOBAL PETROLEUM LIMITED

ABN 68 064 120 896

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Global Petroleum Limited (**Company**) will be held at 11 am (EST) on Tuesday 13 November 2012 at the Kimono Room, Christie Centre, Corner of Wharf and Adelaide Streets, Brisbane, Queensland (**Meeting**).

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on at 7.00pm (EST) on 12 November 2012.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2012, which includes the financial report and directors' report in relation to that financial year and the auditor's report on the financial report.

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### 2. Resolution 1 – Remuneration Report

To consider, and if thought fit, to pass the following resolution in accordance with section 250R (2) of the Corporations Act:

*"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

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### **3. Resolution 2 – Election of Director – Mr Rob Arnott**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That, Mr Rob Arnott, having been appointed a Director since the last Annual General Meeting to fill a casual vacancy, who retires in accordance with the Constitution and, being eligible, offers himself for election, be elected as a Director."*

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### **4. Resolution 3 – Election of Director – Mr Peter Dighton**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That, Mr Peter Dighton, having been appointed a Director since the last Annual General Meeting to fill a casual vacancy, who retires in accordance with the Constitution and, being eligible, offers himself for election, be elected as a Director."*

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### **5. Resolution 4 – Election of Director – Mr Damien Cronin**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*"That, Mr Damien Cronin, having been appointed a Director since the last Annual General Meeting to fill a casual vacancy, who retires in accordance with the Constitution and, being eligible, offers himself for election, be elected as a Director."*

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### **6. Resolution 5 – Authority to Grant Incentive Options to a Director – Mr Rob Arnott**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution with or without amendment:

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of:*

- (a) 250,000 Incentive Options exercisable at \$0.25 each on or before 1 April 2015, vesting 1 April 2013;*
- (b) 290,000 Incentive Options exercisable at \$0.30 each on or before 1 October 2015, vesting 1 October 2013;*
- (c) 290,000 Incentive Options exercisable at \$0.35 each on or before 1 April 2016, vesting 1 April 2014; and*
- (d) 170,000 Incentive Options exercisable at \$0.45 each on or before 1 October 2016, vesting 1 October 2014,*

*to Mr Rob Arnott and/or his nominee on the terms and conditions set out in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Rob Arnott or his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (c) the appointment specifies the way the proxy is to vote on this Resolution; or
- (d) the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## **7. Resolution 6 – Authority to Grant Incentive Options to a Director – Mr Peter Dighton**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution with or without amendment:

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of 300,000 Incentive Option exercisable at \$0.25 each on or before 30 June 2014, vesting immediately upon issue of the Incentive Options to Mr Peter Dighton and/or his nominee on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Peter Dighton or his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (c) the appointment specifies the way the proxy is to vote on this Resolution; or
- (d) the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## **8. Resolution 7 – Authority to Increase Directors' Remuneration Pool**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution

with or without amendment:

*"That, pursuant to and in accordance with Listing Rule 10.17 and for all other purposes, Shareholders approve the increase of the Directors' Remuneration Pool from \$200,000 per annum to \$400,000 per annum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a Director or their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (c) the appointment specifies the way the proxy is to vote on this Resolution; or
- (d) the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

By Order of the Board



**DAMIEN CRONIN**  
Company Secretary  
Dated: 15 October 2012

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# GLOBAL PETROLEUM LIMITED

ABN 68 064 120 896

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at ## am/pm (EST) on Tuesday 13 November 2012, at the ## Room, Christie Centre, Corner Wharf and Adelaide Streets, Brisbane, Queensland.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Election of Director – Mr Rob Arnott
Section 6:	Resolution 3 – Election of Director – Mr Peter Dighton
Section 7:	Resolution 4 – Election of Director – Mr Damien Cronin
Section 8:	Resolution 5 - Authority to Grant Incentive Options to a Director – Mr Rob Arnott
Section 9:	Resolution 6 - Authority to Grant Incentive Options to a Director – Mr Peter Dighton
Section 10:	Resolution 7 – Authority to Increase Directors’ Remuneration Pool
Schedule 1:	Definitions
Schedule 2:	Terms and Conditions of Incentive Options

A Proxy Form is enclosed with the Notice.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

## 2.1 Proxies and Corporate Representatives

A Proxy Form is enclosed with the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person. Members that are corporations may appoint a corporate representative to attend and vote at the Meeting on their behalf.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## 2.2 Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
- (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 or 6 or 7 if:

- (e) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such member; and
- (f) the appointment does not specify the way the proxy is to vote on Resolution 5 or 6 or 7.

However, the prohibition does not apply if:

- (g) the proxy is the Chair; and



- (h) the appointment expressly authorises the Chair to exercise the proxy even if Resolution 5 or 6 or 7 is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

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### 3. Annual Report

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report for the financial year ended 30 June 2012 which is online at <http://www.globalpetroleum.com.au> and click on the direct link;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the Meeting, written questions may be submitted to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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### 4. Resolution 1 – Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The directors' report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act has been amended by the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act (**Director and Executive Remuneration Act**) which received the Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, among others, into the Corporations Act, giving Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman will cast all available proxies in favour of Resolution 1.

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## **5. Resolution 2 – Election of Director – Mr Rob Arnott**

Article 6.2(b) of the Constitution allows the Directors to appoint a person a Director to fill a casual vacancy occurring since the last meeting of Shareholders.

Article 6.2(c) of the Constitution requires an election of Directors to be held each year.

Article 6.3(c) of the Constitution requires that one third of all Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(f) of the Constitution states that a Director who retires is eligible for election.

Pursuant to the Constitution, Mr Arnott retires and seeks election.

Mr Arnott is a British citizen with almost 30 years oil and gas experience in a career that started in the petroleum industry with Shell International, then progressed to Investment Banking where he worked as an equity analyst for HSBC Investment Bank, Morgan Stanley and Goldman Sachs International before subsequently moving back to the upstream industry. Dr. Arnott is currently a Director of AIM quoted Petroceltic International PLC and private company Spring Energy AS, having spent five years with the Norwegian exploration and production company DNO UK Ltd. He is also a Research Advisor to the Oxford Institute of Energy Studies.

Mr Arnott was appointed a Director of the Company on 4 October 2012.

The Board unanimously supports Mr Arnott's election.

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## **6. Resolution 3 – Election of Director – Mr Peter Dighton**

Article 6.2(b) of the Constitution allows the Directors to appoint a person a Director to fill a casual vacancy occurring since the last meeting of Shareholders.

Article 6.2(c) of the Constitution requires an election of Directors to be held each year.

Article 6.3(c) of the Constitution requires that one third of all Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(f) of the Constitution states that a Director who retires is eligible for election.

Pursuant to the Constitution, Mr Dighton retires and seeks election.

Mr Dighton is a lawyer who specialises in upstream petroleum and LNG projects. He was previously a Non-Executive Director of Global from 2003-8 and has also served on the board of the listed entities Falkland Oil and Gas Limited and Texon Petroleum Limited. He is currently a director of OSD Pipelines Pty Ltd and is the Australasian representative of the floating LNG developer Flex LNG Limited.

Mr Dighton was appointed a Director of the Company on 31 December 2011.

The Board unanimously supports Mr Dighton's election.

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## **7. Resolution 4 – Election of Director – Mr Damien Cronin**

Article 6.2(b) of the Constitution allows the Directors to appoint a person a Director to fill a casual vacancy occurring since the last meeting of Shareholders.

Article 6.2(c) of the Constitution requires an election of Directors to be held each year.

Article 6.3(c) of the Constitution requires that one third of all Directors must retire at each annual general meeting (rounded down to the nearest whole number).

Article 6.3(f) of the Constitution states that a Director who retires is eligible for election.

Pursuant to the Constitution, Mr Cronin retires and seeks election.

Mr Cronin is a solicitor who has over 25 years experience in the oil and gas, and resources sectors and has held senior legal and commercial roles with Rio Tinto, Shell, Duke Energy and Incitec Pivot. He has previously serviced as Company Secretary to a number of public companies in the oil and gas sector, including Sunshine Gas Limited and Blue Energy Limited and as Secretary to the Operating Committee of a number of mining joint ventures, including that for the Sonoma Coal Mine.

Mr Cronin was appointed a director of the Company on 31 December 2011.

The Board unanimously supports Mr Cronin's election.

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## **8. Resolution 5 – Authority to Grant Incentive Options to a Director – Mr Rob Arnott**

### **8.1 General**

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 10.11 for the grant of 1,000,000 Incentive Options to Mr Rob Arnott (or his nominee) as the incentive component of his remuneration as Chairman.

As announced on 4 October 2012, the Company appointed Mr Arnott as Chairman of the Company. Mr Arnott commenced his appointment with the Company immediately.

Mr Arnott will receive director's fees of £65,000 (approximately \$102,300) per annum.

Subject to Shareholder approval, Mr Arnott or his nominee will also be granted:

- (a) 250,000 Incentive Options exercisable at \$0.25 each on or before 1 April 2015, vesting 1 April 2013;
- (b) 290,000 Incentive Options exercisable at \$0.30 each on or before 1 October 2015, vesting 1 October 2013;

- (c) 290,000 Incentive Options exercisable at \$0.35 each on or before 1 April 2016, vesting 1 April 2014; and
- (d) 170,000 Incentive Options exercisable at \$0.45 each on or before 1 October 2016, vesting 1 October 2014,

on the terms and conditions set out in Schedule 2. The Incentive Options form part of Mr Arnott's contract of appointment.

Other than time based vesting periods, there are no additional performance criteria on the Incentive Options. Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of Mr Arnott and the performance and value of the Company are closely related. As such the Incentive Options granted will generally only be of benefit if Mr Arnott performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options.

The Company is small listed company, which is focussed on exploration and development activities and acquisition of new business opportunities. The Company has limited funds, most of which are allocated to specific exploration and development activities. The Board has chosen to issue Incentive Options to Mr Arnott as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company. The Board considers that Mr Arnott's experience will greatly assist the Company. As such, the Board believes that the number of Incentive Options to be granted to Mr Arnott is commensurate to his value to the Company.

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed. If the Incentive Options are not granted, the Company could remunerate Mr Arnott for additional amounts of cash. However, the Board considers it reasonable for the remuneration of Mr Arnott to have a cash component and an equity component to further align Mr Arnott's interests with Shareholders and maintain a strong cash position for the Company.

## **8.2 Listing Rule 10.11**

Listing Rule 10.11 requires Shareholder approval for the proposed grant of the Incentive Options. Listing Rule 10.11 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company to a related party. As Mr Arnott is a related party of the Company and none of the exceptions contained in Listing Rule 10.12 apply, Shareholder approval is required in accordance with Listing Rule 10.11.

Shareholder approval is sought under Listing Rule 10.11 and as such approval under Listing Rule 7.1 is not required. Furthermore, Shareholder approval of the grant of the Incentive Options means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is an ordinary resolution.

The Chairman will cast all available proxies in favour of Resolution 5.

## **8.3 Specific information required by Listing Rule 10.13**

For the purposes of Shareholder approval of the Incentive Options grant and the requirements of Listing Rule 10.13, information is provided as follows:

- (a) 1,000,000 Incentive Options will be granted to Mr Rob Arnott (or his nominee);

- (b) the maximum number of Incentive Options to be granted under Resolution 5 is 1,000,000 Incentive Options as follows:
- (i) 250,000 Incentive Options exercisable at \$0.25 each on or before 1 April 2015;
  - (ii) 290,000 Incentive Options exercisable at \$0.30 each on or before 1 October 2015;
  - (iii) 290,000 Incentive Options exercisable at \$0.35 each on or before 1 April 2016; and
  - (iv) 170,000 Incentive Options exercisable at \$0.45 each on or before 1 October 2016;
- (c) the Company will grant the Incentive Options no later than 1 month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (d) the Incentive Options will be granted for nil cash consideration;
- (e) the Incentive Options will be granted in four classes:

Incentive Option Class	Number	Exercise Price	Vesting Date	End Date
Class A	250,000	\$0.25	1 April 2013	1 April 2015
Class B	290,000	\$0.30	1 October 2013	1 October 2015
Class C	290,000	\$0.35	1 April 2014	1 April 2016
Class D	170,000	\$0.45	1 October 2014	1 October 2016

- (f) upon exercise of the Incentive Options, the Shares issued will rank pari passu with the Company's existing Shares on issue. Further terms and conditions of the Incentive Options are in Schedule 2;
- (g) a voting exclusion statement is included in the Notice; and
- (h) no funds will be raised by the grant of the Incentive Options as they are being granted for nil cash consideration.

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## 9. Resolution 6 – Authority to Grant Incentive Options to a Director – Mr Peter Dighton

### 9.1 General

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 10.11 for the grant of 300,000 Incentive Options to Mr Peter Dighton (or his nominee) as the incentive component of his remuneration as a non-executive Director.

As announced on 31 December 2011, the Company appointed Mr Dighton as a Director of the Company. Mr Dighton commenced his appointment with the Company immediately.

Mr Dighton will receive director's fees of \$30,000 plus superannuation contributions of \$2,700 per annum.

Subject to Shareholder approval, Mr Dighton or his nominee will also be granted 300,000 Incentive Options exercisable at \$0.25 each on or before 30 June 2014, vesting on issue of the incentive Options on the terms and conditions set out in Schedule 2. The Incentive Options form part of Mr Dighton's contract of appointment.

Other than time based vesting periods, there are no additional performance criteria on the Incentive Options. Given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of Mr Dighton and the performance and value of the Company are closely related. As such the Incentive Options granted will generally only be of benefit if Mr Dighton performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options.

The Company is small listed company, which is focused on exploration and development activities and acquisition of new business opportunities. The Company has limited funds, most of which are allocated to specific exploration and development activities. The Board has chosen to issue Incentive Options to Mr Dighton as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company. The Board considers that Mr Dighton's experience will greatly assist the Company. As such, the Board believes that the number of Incentive Options to be granted to Mr Dighton is commensurate to his value to the Company.

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options upon the terms proposed. If the Incentive Options are not granted, the Company could remunerate Mr Dighton for additional amounts of cash. However, the Board considers it reasonable for the remuneration of Mr Dighton to have a cash component and an equity component to further align Mr Dighton's interests with Shareholders and maintain a strong cash position for the Company.

## **9.2 Listing Rule 10.11**

Listing Rule 10.11 requires Shareholder approval for the proposed grant of the Incentive Options. Listing Rule 10.11 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company to a related party. As Mr Dighton is a related party of the Company and none of the exceptions contained in Listing Rule 10.12 apply, Shareholder approval is required in accordance with Listing Rule 10.11.

Shareholder approval is sought under Listing Rule 10.11 and as such approval under Listing Rule 7.1 is not required. Furthermore, Shareholder approval of the grant of the Incentive Options means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is an ordinary resolution.

The Chairman will cast all available proxies in favour of Resolution 6.

## **9.3 Specific information required by Listing Rule 10.13**

For the purposes of Shareholder approval of the Incentive Options grant and the requirements of Listing Rule 10.13, information is provided as follows:

- (a) 300,000 Incentive Options will be granted to Mr Peter Dighton (or his nominee exercisable at \$0.25 each on or before 30 June 2014;
- (b) the Company will grant the Incentive Options no later than 1 month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);

- (c) the Incentive Options will be granted for nil cash consideration;
- (d) the Incentive Options will be granted in one class:

Incentive Option Class	Number	Exercise Price	Vesting Date	End Date
Class A	300,000	\$0.25	Upon issue of Incentive Options	30 June 2014

- (e) upon exercise of the Incentive Options, the Shares issued will rank pari passu with the Company's existing Shares on issue. Further terms and conditions of the Incentive Options are in Schedule 2;
- (f) a voting exclusion statement is included in the Notice; and
- (g) no funds will be raised by the grant of the Incentive Options as they are being granted for nil cash consideration.

## **10. Resolution 7 – Authority to Increase Directors' Remuneration Pool**

### **10.1 General**

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 10.17 for the increase of the Directors' Remuneration Pool.

### **10.2 Listing Rule 10.17**

Listing Rule 10.17 provides that Shareholders' approval is required to increase the total amount of Directors' fees (other than the Managing Director and Chief Executive's (Mr Hill) salary) payable by the Company to the non-executive Directors. Non-executive directors will be paid a fixed sum for their Directors' fees.

### **10.3 Specific information required by Listing Rule 10.17**

The total amount of the Directors' Remuneration Pool is currently set at \$200,000 and Shareholder approval is sought to increase it by \$200,000 to a maximum of \$400,000. As at 30 September 2012 the total amount paid to Directors by way of Directors' fees and superannuation entitlements in the previous 12 months was \$169,050.

While the Directors' Remuneration Pool is currently sufficient to meet the Company's obligations to all Directors' for fees and superannuation entitlements, the Board considers, particularly given Mr Arnott's appointment as Chairman, subject to his election pursuant to Resolution 2, that it is necessary to increase the Directors' Remuneration Pool to attract and retain suitably qualified Directors with the relevant experience to assist the Company's development.

The proposed increase in the Directors' Remuneration Pool will allow for future appropriate increases in the number of Directors commensurate with the Company's growth, and also future increases in Directors' remuneration commensurate with market conditions as well as the need to attract and retain suitably qualified and experienced Directors.

## Schedule 1 - Definitions

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In this Explanatory Memorandum and Notice:

**"Annual Report"** means the directors' report, the Company's financial report, and auditor's report thereon, in respect to the financial year ended 30 June 2012.

**"Article"** means an article of the Constitution.

**"ASX"** means the ASX Limited and where the context permits the Australian Securities Exchange operated by the ASX.

**"Board"** means the board of Directors.

**"Chair" or "Chairman"** means the person appointed to chair the Meeting.

**"Closely Related Party"** has the meaning given in section 9 of the Corporations Act.

**"Company" or "Global"** means Global Petroleum Limited ABN 68 064 120 896.

**"Constitution"** means the constitution of the Company.

**"Corporations Act"** means the *Corporations Act 2001* (Cth).

**"Director"** means a director of the Company.

**"Directors' Remuneration Pool"** means the maximum annual total amount that may be paid to Directors as a whole as Directors' fees.

**"EST"** means Eastern Standard Time, being the time in Brisbane, Queensland.

**"Explanatory Memorandum"** means the explanatory memorandum to the Notice.

**"Incentive Option"** means an option which entitles the holder to subscribe for one Share on the terms and conditions in the Explanatory Memorandum and Schedule 2.

**"Key Management Personnel"** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**"Meeting"** has the meaning given in the introductory paragraph of the Notice.

**"Notice"** means this Notice of Meeting.

**"Proxy Form"** means the proxy form enclosed with the Notice.

**"Remuneration Report"** means the remuneration report of the Company contained in the directors' report.

**"Resolution"** means a resolution contained in this Notice.

**"Schedule"** means a schedule to this Notice.

**"Share"** means a fully paid ordinary share in the capital of the Company.

**"Shareholder"** means a shareholder of the Company.

In this Notice, words importing the singular include the plural and conversely.



## Schedule 2 - Terms and Conditions of Incentive Options

**(a) Entitlement**

Each Incentive Option entitles the holder to subscribe for one ordinary share in the capital of the Company ("**Share**") upon exercise.

**(b) Exercise Price and End Date**

The Exercise Price, Vesting Date and End Date of each Incentive Option is referred to in the below table.

<b>Mr Rob Arnott</b>			
<b>Incentive Option Class</b>	<b>Exercise Price</b>	<b>Vesting Date</b>	<b>End Date<sup>(1)</sup></b>
Class A	\$0.25	1 April 2013	1 April 2015
Class B	\$0.30	1 October 2013	1 October 2015
Class C	\$0.35	1 April 2014	1 April 2016
Class D	\$0.45	1 October 2014	1 October 2016
<b>Mr Peter Dighton</b>			
<b>Incentive Option Class</b>	<b>Exercise Price</b>	<b>Vesting Date</b>	<b>End Date<sup>(1)</sup></b>
Class A	\$0.25	Upon issue of Incentive Options	30 June 2014

(1) See definition of End Date below.

The Incentive Options will expire on that date ("**End Date**") which is the earlier of:

- (a) the End Date referred to in the above table; or
- (b) in respect of the Incentive Options that have not already vested by the Vesting Date referred to in the above table, the date the Director ceases to be any of a Director of the Company because of:
  - (i) retirement (excluding retirement by rotation as a Director at a meeting of Shareholders where re-elected);
  - (ii) removal or termination (other than in the circumstances in item 2(c) below);
  - (iii) voluntary cessation;
  - (iv) by mutual agreement (unless the Board resolves otherwise); or
- (c) in respect of the Incentive Options whether vested or unvested as outlined above, the date the Director ceases to be a Director of the Company because of dismissal by the Company because of:
  - (i) dismissal from employment with the Company for gross negligence or wilful misconduct;

(ii) conviction of any criminal offence which in the reasonable opinion of the Board brings the holder or the Company into disrepute;

(d) the date the holder is disqualified from holding the office of director;

and thereafter no party has any claim against any other party arising under or in respect of the Incentive Options.

**(c) Exercise Period**

The Incentive Options are exercisable at any time after the Vesting Date above and on or prior to the End Date.

**(d) Notice of Exercise**

The Incentive Options may be exercised by notice in writing to the Company ("**Notice of Exercise**") and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

**(e) Shares issued on exercise**

Shares issued on exercise of the Incentive Options rank equally with the then Shares of the Company.

**(f) Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Incentive Options.

**(g) Timing of issue of Shares**

After an Incentive Option is validly exercised, the Company must, as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Incentive Option:

(a) issue and allot the Share; and

(b) do all such acts matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Share.

**(h) Participation in new issues**

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Incentive Options the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

**(i) Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(a) the number of Shares which must be issued on the exercise of a Incentive Option will be increased by the number of Shares which the holder would have

received if the holder had exercised the Incentive Option before the record date for the bonus issue; and

(b) no change will be made to the Exercise Price.

**(j) Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.

**(k) Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

**(l) Quotation of Options**

No application for quotation of the Incentive Options will be made by the Company.

**(m) Options transferable**

The Incentive Options are transferable provided the transfer of the Incentive Options complies with section 707(3) of the Corporations Act.

**(n) Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company's registry.