GLOBAL PETROLEUM LIMITED

ABN 68 064 120 896

Interim Financial Report for the Half Year Ended 31 December 2009

CORPORATE DIRECTORY

Directors
Mr Mark Savage – Chairman
Mr Peter Blakey
Mr Peter Taylor
Mr Ian Middlemas
Mr Shane Cranswick

Company Secretary
Mr Shane Cranswick

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DIRECTORS' REPORT

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 2009 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 Ian Middlemas
Mr Shane Cranswick

REVIEW OF OPERATIONS

Operating Results

During the six months ended 31 December 2009, the consolidated group recorded a loss after tax of $1,098,583 (six months ended 31 December 2008: profit of $2,449,461).

Principal Activities

Uganda Block EA5 (Global earning up to 25%)

During the half year, Global announced that it had elected to maintain its option to earn a 25% interest in Uganda Licence EA5 ("EA5") by funding 25% of the cost of the second exploration well in EA5.

The well had a primary stratigraphic target interval below 665m and a secondary target interval which is immediately above expected basement at a depth of 795m. The higher interval is targeted to encounter high quality fluvial sandstones, similar to those found in the successful wells in Licence EA1, adjacent to EA5, but which were absent in the first exploration well, Iti-1.

The well was spud on 13 February 2010. Refer Subsequent Events below for further information.

Leighton Prospect – Texas, USA (15% WI, 11.25% NRI)

Texon Petroleum Ltd (ASX: TXN) advised during the half year that the fourth well on the Leighton Project, Tyler Ranch #3, had begun to flow oil and gas at the gross rate of 500 boepd from the Olmos reservoir comprising 377 bopd and 746 mcf of gas per day through a 12/64 choke, at a flowing pressure at the surface of about 2,600 psi. This flow rate exceeded the initial flow rates of the previous 3 Leighton wells.

Tyler Ranch #3 was connected to oil tanks and the gas sales pipeline so that Global has now begun to earn revenue from the production.

The fifth well, Tyler Ranch #4, had oil and gas shows during drilling the Eagle Ford and there were also oil and gas shows in the Buda and Edwards Limestone (below the Eagle Ford).

Analysis of the electric logs from the well by Oil & Gas Evaluations and Consulting, LLC (Olmos) and NuTech Energy Alliance (Eagle Ford / Buda / Edwards) indicated 197 feet of pay in the well.

The Olmos reservoir in Tyler Ranch #4 has been placed on production.

Kenya L5 and L7 Joint Venture (Global 20%)

As previously advised, notice has been given to Woodside Energy (Kenya) Pty Limited ("Woodside") terminating the Farm-In Agreement ("FIA"). The termination notice has been given based on Woodside's refusal to drill a second exploratory well in the project area in accordance with the FIA and its failure to take any steps to remedy this refusal, which the Company considers to be a repudiation and breach of the FIA.

The Company and joint venture partner Dana Petroleum (E&P) Limited have commenced legal proceedings in the English High Court of Justice to recover losses suffered as a result. The case is expected to commence on 15 April 2010.

The carrying value of the Consolidated Entity's Kenya exploration expenditure is nil at the end of the half year.

SUBSEQUENT EVENTS

Following the half year end, joint venture partner Tower Resources plc advised that it has completed operations on the Avivi-1 exploration well in Uganda Licence EA5. The well was plugged and abandoned and the rig released. The well did not encounter oil, despite persistent methane gas traces, and tested water from the target reservoir interval using a wireline fluid sampler. Electric logging confirmed the absence of oil and gas. The Consolidated Entity's share of costs is forecast to be approximately $2,550,000 and will be incurred in 2010.

Other than as outlined above, there were no significant events occurring after the balance sheet date requiring disclosure.

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

The lead auditor's independence declaration is set out on page 3 and forms part of the directors' report for the half year ended 31 December 2009.

Signed in accordance with a resolution of Directors.

Mark Savage

Mark Savage
Chairman

15 March 2010

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 2009 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

KPMG

Brent Steedman
Partner

Perth

15 March 2010

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	Note	31 December 2009 $	31 December 2008 $
Oil and gas revenue		515,678	-
Cost of sales		(390,529)	-
Gross profit		125,149	-
Administration costs		(484,362)	(481,703)
Exploration and evaluation expenditure written off	6	(1,152,317)	(416,552)
Results from operating activities		**(1,511,530)**	**(898,255)**
Net financial income	3	412,947	1,126,426
Profit/(loss) before income tax		**(1,098,583)**	**228,171**
Income tax benefit	4	-	2,221,290
Profit/(loss) for the period - attributable to members of Global Petroleum Limited		**(1,098,583)**	**2,449,461**
Other comprehensive income			
Foreign currency translation differences for foreign operations		(106,053)	(3,525)
Change in fair value – available-for-sale investments		-	(2,215,003)
Reversal of deferred tax liability in respect of available-for-sale investments		-	664,501
Other comprehensive loss for the period		(106,053)	(1,554,027)
Total comprehensive income/(loss) for the period - attributable to members of Global Petroleum Limited		**(1,204,636)**	**895,434**
		Cents	**Cents**
Basic earnings/(loss) per share		(0.63)	1.40
Diluted earnings/(loss) per share		(0.63)	1.40

The Condensed Consolidated Interim Statement of Comprehensive Income is to be read in conjunction with the attached notes to the interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Note	31 December 2009 $	30 June 2009 $
ASSETS			
Current Assets			
Cash and cash equivalents		24,991,905	26,151,515
Trade and other receivables		184,863	84,497
Other financial assets		-	600
Total Current Assets		**25,176,768**	**26,236,612**
Non-current Assets			
Exploration and evaluation expenditure	6	-	-
Oil and gas assets	7	1,381,406	1,238,654
Total Non-current Assets		**1,381,406**	**1,238,654**
TOTAL ASSETS		**26,558,174**	**27,475,266**
LIABILITIES			
Current Liabilities			
Trade and other payables		659,211	381,749
Total Current Liabilities		**659,211**	**381,749**
Non-current Liabilities			
Provisions		18,585	8,503
Total Non-current Liabilities		**18,585**	**8,503**
TOTAL LIABILITIES		**677,796**	**390,252**
NET ASSETS		**25,880,378**	**27,085,014**
EQUITY			
Issued capital	5	35,590,053	35,590,053
Reserves		(259,643)	(153,590)
Accumulated losses		(9,450,032)	(8,351,449)
TOTAL EQUITY		**25,880,378**	**27,085,014**

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	31 December 2009 $	31 December 2008 $
Cash flows from operating activities		
Cash paid to suppliers and employees	(549,895)	(367,588)
Refunds of GST	25,462	-
Oil and gas revenue received	333,023	-
Interest received	412,947	1,126,426
Net cash provided by operating activities	**221,537**	**758,838**
Cash flows from investing activities		
Exploration and oil and gas assets expenditure	(1,366,692)	(1,189,010)
Net cash from/(used in) investing activities	**(1,366,692)**	**(1,189,010)**
Net increase/(decrease) in cash and cash equivalents	**(1,145,155)**	**(430,172)**
Cash and cash equivalents at 1 July	26,151,515	34,454,208
Effect of exchange rate changes on cash and cash equivalents	(14,455)	(31)
Cash and cash equivalents at 31 December	**24,991,905**	**34,024,005**

The Condensed Consolidated Interim Statement of Cash Flows is to be read in conjunction with the attached notes to the interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

	Share Capital $	Fair Value Reserve $	Foreign Currency Translation Reserve $	Accumu-lated Losses $	Total Equity $
Six Months Ended 31 December 2008					
Balance at 1 July 2008	**35,590,053**	**3,089,566**	**22,568**	**(2,718,370)**	**35,983,817**
Total comprehensive income/(loss) for the period:					
Net profit for the period	-	-	-	2,449,461	2,449,461
Other comprehensive income/(loss):					
Foreign exchange translation differences	-	-	(3,525)	-	(3,525)
Change in fair value – available-for-sale investments	-	(2,215,003)	-	-	(2,215,003)
Reversal of deferred tax liability in respect of available-for-sale investments	-	664,501	-	-	664,501
Total comprehensive income/(loss) for the period	**-**	**(1,550,502)**	**(3,525)**	**2,449,461**	**895,434**
Total transactions with owners recorded directly in equity	-	-	-	-	-
Balance at 31 December 2008	**35,590,053**	**1,539,064**	**19,043**	**(268,909)**	**36,879,251**

The Condensed Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the attached notes to the interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009
(Continued)

	Share Capital $	Foreign Currency Translation Reserve $	Accumu-lated Losses $	Total Equity $
Six Months Ended 31 December 2009				
Balance at 1 July 2009	**35,590,053**	**(153,590)**	**(8,351,449)**	**27,085,014**
Total comprehensive loss for the period:				
Net loss for the period	-	-	(1,098,583)	(1,098,583)
Other comprehensive loss:				
Foreign exchange translation differences	-	(106,053)	-	(106,053)
Total comprehensive loss for the period	-	(106,053)	(1,098,583)	(1,204,636)
Total transactions with owners recorded directly in equity	-	-	-	-
Balance at 31 December 2009	**35,590,053**	**(259,643)**	**(9,450,032)**	**25,880,378**

The Condensed Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the attached notes to the interim financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Global Petroleum Limited for the year ended 30 June 2009 and any public announcements made by Global Petroleum Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(a) Basis of Preparation of Half Year Financial Report

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 in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2009 annual financial report for the year ended 30 June 2009, 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 2009. 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, except as described below:

(i) Determination and presentation of operating segments

As of 1 July 2009 the Group determines and presents operating segments based on the information that is internally provided to the board of directors who are the chief operating decision makers. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. Previously operating segments were determined and presented in accordance with AASB 114 Segment Reporting. The new accounting policy in respect of segment operating disclosures is presented as follows.

Comparative segment information has been re-presented in conformity with the transitional requirements of AASB 114. Since the change in accounting policy only impacts presentation and disclosure aspect, there is no impact on earnings per share.

An operating segment is a component of Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Group’s other components. Group’s combined operating segments are reviewed regularly by the board of directors to make decisions about resources to be allocated and assess their performance.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, office expenses and income tax assets and liabilities.

(ii) Presentation of financial statements

The Group applies revised AASB 101 Presentation of Financial Statements (2007), which became effective 1 July 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six month period ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

(b) 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.

Except as described below, 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 2009.

During the six months ended 31 December 2009 and 2008 management reassessed its estimates in respect of the carrying value of all exploration properties based on the exploration activities during the half year and the status of the projects at those dates. This assessment resulted in exploration expenditure in Kenya and Uganda being written off during these periods.

2. SEGMENT INFORMATION

The Group has 3 reportable segments as described below, which are 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:

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

2. SEGMENT INFORMATION (CONT)

31 December 2009	Africa $	USA $	Consolidated $
Segment revenue			
Revenue from external customers	-	515,678	515,678
Total revenue			**515,678**
Result			
Segment result	(1,152,317)	125,149	(1,027,168)
Loss for the period			**(1,027,168)**
Assets			
Segment assets	-	1,550,409	1,550,409
Unallocated assets			25,007,765
			26,558,174

There has been no change from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss. There has also been no significant change in the allocation of total assets by segment.

31 December 2008	Africa $	USA $	Consolidated $
Segment revenue			
Revenue from external customers	-	-	-
Total revenue			**-**
Result			
Segment result	(416,552)	-	(416,552)
Profit for the period			**(416,552)**

30 June 2009	Africa $	USA $	Consolidated $
Assets			
Segment assets	-	1,307,057	1,307,057
Unallocated assets			26,168,209
			27,475,266

2. SEGMENT INFORMATION (CONT)

	31 December 2009 $	31 December 2008 $
Reconciliation of reportable segment profit or loss before tax		
Total loss for reportable segments	(1,027,168)	(416,552)
Other profit or loss	(71,415)	644,723
	(1,098,583)	228,171

3. PROFIT/(LOSS) FROM OPERATIONS

	31 December 2009 $	31 December 2008 $
(a) Financial Income/(Expenses)		
Interest income	412,947	1,126,426

4. INCOME TAX

	31 December 2009 $	31 December 2008 $
(a) Recognised in the Income Statement		
Current tax expense/(benefit)		
Current year	-	-
Adjustments in respect of current income tax of previous years	-	(1,654,255)
	-	(1,654,255)
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Temporary differences not previously brought to account	-	(567,035)
	-	(567,035)
Total income tax expense/(benefit) in the income tax statement	**-**	**(2,221,290)**

The adjustment in respect of income tax of previous years was in relation to the treatment of the sale of Falkland Oil and Gas shares during the financial year ended 30 June 2008. Documentation provided to the Company following the lodgement of the 2008 Financial Report allowed the Company to adjust its income tax calculations and reduce the tax liability on the sale of the shares.

5. EQUITY SECURITIES LISTED

There were no movements in ordinary share capital during the six month periods ended 31 December 2008 and 2009.

200,000 options with an exercise price of $0.25 expired on 31 December 2008. No other options were outstanding at 31 December 2008 or 2009.

6. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	$
Costs	
Balance at 1 July 2009	-
Foreign currency movement	-
Expenditure incurred	1,152,317
Expenditure written-off	(1,152,317)
Balance at 31 December 2009	**-**

Expenditure written-off during the 2009 half-year related to the Kenya ($751,759, relating predominantly to legal and other professional fees incurred in the Group's legal action against Woodside) and Uganda projects (2008 half-year: Kenya project).

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

7. OIL AND GAS ASSETS

	$
Costs	
Balance at 1 July 2009	1,238,654
Foreign currency movement	(130,011)
Expenditure incurred	581,236
Amortisation	(308,473)
Balance at 31 December 2009	**1,381,406**

8. RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the 30 June 2009 annual financial report.

9. CONTINGENCIES

There have been no changes in contingent liabilities since 30 June 2009.

10. COMMITMENTS

During the half year end 31 December 2009, Global announced that it had elected to maintain its option to earn a 25% interest in Uganda Licence EA5 ("EA5") by funding 25% of the cost of the second exploration well in EA5. The Consolidated Entity's share of costs is forecast to be approximately $2,550,000 and will be incurred in 2010.

11. SUBSEQUENT EVENTS

Following the half year end, joint venture partner Tower Resources plc advised that it has completed operations on the Avivi-1 exploration well in Uganda Licence EA5. The well was plugged and abandoned and the rig released. The well did not encounter oil, despite persistent methane gas traces, and tested water from the target reservoir interval using a wireline fluid sampler. Electric logging confirmed the absence of oil and gas.

Other than as outlined above, there were no significant events occurring after the balance sheet date 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 4 to 14, are in accordance with the Corporations Act 2001 including:

   (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 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.

Mark Savage

MARK SAVAGE
Chairman

15 March 2010

Independent auditor's review report to the members of Global Petroleum Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Global Petroleum Limited, which comprises the consolidated statement of financial position as at 31 December 2009, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a description of accounting policies and other explanatory notes 1 to 11 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 period.

Directors' responsibility for the interim financial report

The directors of Global Petroleum Limited are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 2009 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 an 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 Company's and the Group's financial position as at 31 December 2009 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

KPMG

Brent Steedman
Partner

Perth

15 March 2010