



ABN 68 064 120 896

31 July 2006

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bond Street
SYDNEY NSW 2000

Dear Sirs,

Global Petroleum Limited – June 2006 Quarterly Report

Kenya (Global 20%)

On the 4 May the Company announced that Woodside had elected to drill the second of its Kenya farm-in wells. The well will be drilled in L-7 before June 2008. The Company holds 20% in two blocks (L-5 and L-7) offshore Kenya together with Woodside (50% and operator) and Dana (30%).

On the 16 March, the Company announced that Woodside had secured the deepwater vessel “Chikyu” to drill the first Kenya well which will be in Licence L-5 commencing about October 2006, with the timing dependent on met-ocean conditions and the arrival of the rig in Kenya. The board of the Japanese Agency for Marine-Earth Science and Technology (JAMSTEC) owner of the deepwater drilling vessel has now approved the rig contract with Woodside.

L-5 and L-7 now contains some 50 prospects and leads, a number of which are each capable of containing several hundred million to a billion barrels of recoverable oil. There are Direct Hydrocarbon Indicators (DHI: potential oil and gas indicator) on some of the leads.

The costs associated with Global’s 20% equity in L-5 and L-7 are carried for all activities including the drilling and testing of the first two wells. Woodside earns its 50% equity in L-5 and L-7 when these two wells have been drilled.

Falkland Oil and Gas Limited (“FOGL”) (Global shareholding 14.0%)

FOGL has an average 90% holding in 79,000 sqkm of prospective offshore licences to the East and South of the Falkland Islands.

The farmout process continues with the objective of securing partners with appropriate financial capability and deepwater experience. FOGL announced on 26th July 2006 that it intends to conduct a controlled source electromagnetic survey over the Company’s licences in the South and East Falkland Basins. FOGL announced its preliminary results for the year ended 31 March 2006 on 11th July 2006.

At a FOGL share price of £1.02/share (as at 26 July 06), Global’s shareholding is valued at A\$31.7m (18.4 cents/share).

Malta Exploration Study Agreement Area 3 – Blocks 4 & 5 (Global 80%)

Blocks 4 & 5 contain four leads (1 Triassic, 2 Jurassic / Cretaceous, 1 Tertiary) and a number of natural oil slicks on the ocean surface have been detected by satellite imagery.

The Company announced on 23 June 2006 that German international oil and gas company RWE Dea AG had agreed to farm in Blocks 4 & 5 for an initial 20% equity which will increase to 70% if RWE decides, prior to the expiry of the ESA in December this year, to commit to the drilling of a well and enter into a Production Sharing Agreement. Global would retain 30% equity including 3% on behalf of a UK marketing agency that assisted Global in the farm process. Global is fully carried through the seismic and drilling programs including the abandonment of the well but excluding drill stem testing of the well. RWE plans to undertake seismic studies in the second half of this year at RWE's cost.

On the basis of the farm in the Malta government extended the ESA by six months to 31 December 2006 to allow the seismic process to proceed.

Ireland Licence Option 03/3 (Global 100%)

Having extended the Licence Option through to 31 December 2006 and having completed reprocessing of 200kms of seismic data over the main prospect which has Jurassic and Lower Cretaceous targets, the Company continues to seek the participation of a farminee to take over operatorship of the project and conduct work to earn significant equity in the project.

Other Projects

The Company continues to investigate opportunities in the petroleum industry in other countries, including Iraq.

Yours sincerely,



John Armstrong
Executive Chairman

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

GLOBAL PETROLEUM LIMITED

ABN

68 064 120 896

Quarter ended ("current quarter")

30 JUNE 2006

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(196)	(655)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(315)	(1,533)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	91	385
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – management fees	-	191
	Net Operating Cash Flows	(420)	(1,612)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	(5)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	1,827
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	1,822

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1.13	Total operating and investing cash flows (carried forward)	(420)	210
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1.13	Total operating and investing cash flows (brought forward)	(420)	210
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	500	625
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(3)	(4)
	Net financing cash flows	497	621
	Net increase (decrease) in cash held	77	831
1.20	Cash at beginning of quarter/year to date	6,914	6,160
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,991	6,991

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	163
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 – Payment of salaries/fees to directors under approved agreements

Non-cash financing and investing activities

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

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

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Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A'000	Amount used \$A'000

3.1	Loan facilities	Nil	N/a
3.2	Credit standby arrangements	Nil	N/a

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	150
4.2	Development	-
Total		150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	593	156
5.2	Deposits at call	6,398	6,758
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		6,991	6,914

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	Malta Exploration Study Agreement Area 3 – Blocks 4 & 5	Farminnee earning 20%	100%	80%
6.2	Interests in mining tenements acquired or increased	None			

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	None			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	None			
7.3 +Ordinary securities	172,294,787	172,294,787		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(a) Issued 2,000,000			
7.5 +Convertible debt securities <i>(description)</i>	None			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	None			
7.7 Options <i>(description and conversion factor)</i>	A. 8,100,000 B. 250,000 C. 10,000,000		<i>Exercise price</i> 25 cents 25 cents 25 cents	<i>Expiry date</i> 30-06-2007 31-12-2008 30-06-2008
7.8 Issued during quarter	None			
7.9 Exercised during quarter	2,000,000			
7.10 Expired during quarter	None			
7.11 Debentures <i>(totals only)</i>	None			
7.12 Unsecured notes <i>(totals only)</i>	None			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Company Secretary

Date: 31 July 2006

Print name: Desmond Frederick Olling

Notes

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

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