
GLOBAL PETROLEUM LIMITED

CORPORATE GOVERNANCE

STATEMENT

INTRODUCTION

Corporate Governance Statement

The Board of Global Petroleum Limited ('Global Petroleum', or 'Company') is committed to maintaining the highest standards of corporate governance.

Corporate governance in essence is about adopting and maintaining a set of values that underpin the Company's everyday activities - values that ensure fair dealing, transparency of actions, and protect the interests of all stakeholders. The Board considers corporate governance forms part of a broader framework of corporate responsibility and regulatory oversight.

The Company maintains detailed corporate governance policies and has adopted the Quoted Companies Alliance Governance Code - 2018 ('QCA Code'). Global Petroleum aims to comply with the QCA Code to the maximum extent practicable, considering the Company's resources, stage of development and current priorities. Set out below are the 10 guiding principles of the QCA Code, the application of these principles as described in the QCA code, and an overview showing how the Company meets those principles as well as identifying where the Company does not currently comply, and why.

In pursuing its commitment to best practice governance standards, the Board will continue to:

- review and improve its governance practices; and
- monitor global developments in best practice corporate governance.

The Board's approach has been to be guided by the principles and practices that are in our stakeholders' best interests while ensuring full compliance with legal requirements.

This statement was issued on 20th October 2021 and will be reviewed and updated at least annually.

1 ESTABLISH A STRATEGY & BUSINESS MODEL TO PROMOTE LONG-TERM VALUE FOR SHAREHOLDERS

Application

The Board must be able to express a shared view of the Company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the Company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the Company from unnecessary risk and securing its long-term future.

1. Strategy

Global Petroleum's strategy is to maximise its gearing to exploration success in order to enhance shareholder value. This will be achieved through the acquisition of early licence positions in frontier exploration areas in Africa and the Mediterranean either directly through licence rounds, joint venture arrangements or acquisition.

Whilst the geographic focus is Africa and the Mediterranean, the Company will also consider other frontier areas which it considers to be highly prospective. Further information on strategy and how the Company intends to deliver shareholder value, can be found in the Strategy and Vision section on the Company's website, and in the Annual Report.

2 SEEK TO UNDERSTAND & MEET SHAREHOLDER NEEDS & EXPECTATIONS

Application

Directors must develop a good understanding of the needs and expectations of all elements of the Company's shareholder base.

The Board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.

1. Promote Communications

The Board is committed to maintaining good communications with its institutional and private shareholders. The Company provides regular updates on operational matters together with price sensitive information which is released to the market via the Regulatory News Service under the guidance of the Company's AIM NOMAD. The Company website also allows shareholders and prospective shareholders to view both regulatory and non-regulatory news, which is continually updated.

2. Participation at General Meetings

The Company encourages all shareholders to attend its Annual General Meeting where they can meet and question the Directors and express ideas or concerns. The AGM must be held in Australia, as the country of the Company's incorporation. Shareholders are also welcome to write or speak to (by phone appointment) any of the Directors, subject to commercial confidentiality and regulatory restrictions.

3 TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

Application

Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The Board needs to identify the Company's stakeholders and understand their needs, interests and expectations.

Where matters that relate to the Company's impact on society, the communities within which it operates or the environment have the potential to affect the Company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the Company's strategy and business model.

Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.

1. Approach to Corporate Responsibility and Sustainability

Global Petroleum's approach to corporate responsibility and sustainability is to manage its business in a way that produces positive outcomes for all stakeholders and maximises economic, social and environmental value simultaneously. In doing so, Global Petroleum accepts that the responsibilities flowing from this go beyond both strict legal obligations and the financial bottom line. Transparency, the desire for fair dealing, and positive links into the community underpin the Company's everyday activities and corporate responsibility practices.

2. Promote Strong Relationships

The Board recognises that the long-term success of the Company and value creation for shareholders is dependent on good relations with both internal (shareholders and employees) and external stakeholders (advisors, license partners, technical consultants, governments).

The Company maintains a regular dialogue with and obtains feedback from its external stakeholders, especially the oil & gas ministries of foreign governments where the Company has its operations or licence applications, in particular Namibia. The Company also works closely with its advisors including its AIM NOMAD to ensure it complies with its AIM listing requirements, MAR and FCA disclosures, as well as the social, legal and financial requirements of the countries in which it operates.

3. Health Safety & Environment

Health, Safety and the Environment (HSE) are of paramount importance to the oil & gas industry with the potential for high profile and severe consequences on the rare occasions where strict compliance to HSE has not been maintained or things go wrong.

The Company is committed to excellence and continual improvement in operations and HSE standards throughout its activities. The Company complies with all applicable laws, governmental rules and regulations and other requirements of its host countries and strive to meet best practice regardless of the geographical jurisdiction.

4 EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

Application

The Board needs to ensure that the Company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the Company's supply chain, from key suppliers to end-customer.

Setting strategy includes determining the extent of exposure to the identified risks that the Company is able to bear and willing to take (risk tolerance and risk appetite).

1. Approach to Risk Management

The Board of the Company recognizes that managing risk is central to the business and building shareholder value. Global Petroleum's approach is to identify, assess and mitigate the risks which affect its business, where possible. The intention is to enable risks to be balanced against appropriate rewards. The risk management approach links the Company's vision, values, objectives, strategies, procedures and training.

2. Risk Management Roles and Responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. An Audit and Risk Management Committee would often be responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of Global Petroleum's activities, however this role is currently undertaken by the full Board as further discussed under Principle 9 below.

3. Assurance

The Board receives regular reports regarding the financial condition and operational/financial results of the Company to the effect that::

- the Company's periodic financial statements present a true and fair view of the Company's financial condition and operational/financial results for those reporting periods; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

5 MAINTAIN THE BOARD AS A WELL - FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

Application

The Board members have a collective responsibility and legal obligation to promote the interests of the Company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chair of the Board.

The Board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.

The Board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a Board judgement.

The Board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.

Directors must commit the time necessary to fulfill their roles.

1. Membership of the Board

Board composition, with details of individual Directors' backgrounds, is set out within the Directors Report in each Annual Report published by the Company.

2. Board Role and Responsibility

The Board is accountable to shareholders and stakeholders for Global Petroleum's performance. In summary, the Board's responsibilities include but are not limited to the following:

- Appointing and removing the CEO/Managing Director and any other executives and approving their remuneration;
- Appointing and removing the Company Secretary / Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the Company and measuring performance of management against approved strategies;
- Review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Company's medium-term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;

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- Determining that satisfactory arrangements are in place for auditing the Company's financial affairs;
 - Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
 - Ensuring that policies and compliance systems consistent with the Company's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly.

The Company has adopted a Board Charter which sets out the specific responsibilities of the Board, the requirements as to the Board's composition, the roles and responsibilities of the Chairman, Company Secretary and management, the establishment and operation of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. The Board Charter is available on the Company's website in the Corporate Governance section.

Due to the size and early stage of development of the Company, the potential roles of Board Committees are carried out by the full Board, as noted later under Principle 9.

3. Board Size and Composition

The Board determines its size and composition, subject to the limits imposed by the Company's Constitution. The Constitution requires a minimum of three and a maximum of ten Directors. In addition, at least two of the Directors shall ordinarily reside within Australia. At least two Directors are independent. Currently, the Board consists of four Directors - three independent non-executive Directors, and one executive Director being the CEO.

Election of Board members is substantially the province of the shareholders in general meetings, however the Board may fill casual vacancies within the year and seek shareholder approval at the next available general meeting of the Company.

4. Directors' Independence

The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgement. Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. Materiality is assessed on a case-by-case basis by reference to each Directors' individual circumstances rather than general materiality thresholds. Independence is a Board judgement.

Presently the independent Directors are Mr John van der Welle, Mr Andrew Draffin and Mr Garrick Higgins. Mr Peter Hill is an executive of the Company and is therefore not considered to be independent. Former Directors Mr Peter Blakey and Mr Peter Taylor were considered to be non-independent Directors as they were major shareholders of the Company.

On 7 January 2021, shareholders approved the grant of incentive options to the Company's Directors. The Board has chosen to issue these incentive options to the Directors as a key component of their remuneration in order to attract and retain each of their services and to provide incentive linked to the performance of the Company. The Board considers that each Director's experience will greatly assist the Company. As such, the Board believes that the number of incentive options granted to each Director is commensurate to his contributions to the Company. The issue of these incentive options is also consistent with the Company's historical remuneration of its Directors, having obtained shareholder approval for the issue of incentive options to Directors (on similar terms to these incentive options) at its 2014 and 2017 annual general meetings.

The Board has carefully considered the requirements of the QCA Corporate Governance Code as regards the grant of incentive options to independent non-executive Directors. The Board consulted the Company's NOMAD on the grants, and obtained approval for them by shareholders at the January 2021 AGM. Taking into account the relatively small size of the grants, and the fact it is three years since the previous grants, the Board considers that the independent Directors remain independent.

5. The Selection and Role of the Chairman

The Chairman is selected by the Board from the non-executive Directors. The Chairman's role

includes:

- providing effective leadership on formulating the Board's strategy;
- representing the views of the Board to the public;
- ensuring that, when all Board members take office, they are fully briefed on the terms of their appointment, their duties and responsibilities;
- ensuring that the Board meets at regular intervals throughout the year, and that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual Directors;
- guiding the agenda and conduct of all Board meetings; and
- reviewing the performance of the Board of Directors.

The Board Charter provides that where practical the Chairman of the Board will be a non-executive Director. The Chairman, Mr John van der Welle is a non-executive Director and is considered by the Board to be independent.

6. Meetings of the Board and their Conduct

Meetings of the Board occur as appropriate. Board meetings are held at least six times a year or wherever possible and required. Details of Board meetings held and attended are tabled in the Directors' Report, which forms part of the Annual Report.

7. Avoidance of Conflicts of Interest by a Director

In accordance with the Australian Corporations Act 2001, any Director with a material personal interest in a matter being considered by the Board must excuse themselves when the matter is being considered and may not vote on such a matter in their capacity as a Director. Directors are provided with an opportunity to declare any existing or potential conflict of interest at the beginning of each Board meeting with regards to any business under consideration at that meeting.

6 ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP - TO - DATE EXPERIENCE, SKILLS AND CAPABILITIES

Application

The Board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The Board should understand and challenge its own diversity, including gender balance, as part of its composition.

The Board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a Board.

As companies evolve, the mix of skills and experience required on the Board will change, and Board composition will need to evolve to reflect this change.

1. Board Director Experience, Skills

The Board has a broad range of relevant financial and industry skills, experience and expertise, and personal skills necessary to meet its objectives. Details of the relevant experience and background of each Board member who has served in the financial reporting period are provided in the Director's Report section of the Annual Report.

Each Director is responsible for ensuring he/she keeps his/her skillset up to date. This is generally achieved by taking part in appropriate external professional training and other events.

2. Diversity

The Board has not formally adopted a diversity policy however the Board has provided a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviors for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through its broader Code of Conduct.

The Board is mindful that it lacks diversity, in particular as regards gender, and notes that this will be taken into account as it considers the mix of skills and experience of the Board as the Company evolves.

7 EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

Application

The Board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors.

The Board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team.

It is healthy for membership of the Board to be periodically refreshed. Succession planning is a vital task for Boards. No member of the Board should become indispensable.

1. Review of Board Performance

The Board of Global Petroleum are responsible for its self-evaluation and individual Directors are evaluated on a regular basis, with the aid of an independent advisor if deemed required. The Chairman oversees the evaluation process, and reports to the Board on its findings.

2. Succession Planning

The Board plans succession of its own members taking into account the skills, experience and expertise required and currently represented, and Global Petroleum's future direction. The Board is also responsible for CEO, Company Secretary succession planning together with other executive appointments as required.

3. Nomination and Appointment of New Directors

Global Petroleum has detailed guidelines surrounding the appointment and selection of Board members. The Company's Board Charter requires the Board to undertake an appropriate evaluation before appointing a person, or putting forward to shareholders a candidate for election, as a Director. The Board Charter is available on the Company's website in the Corporate Governance section.

All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to shareholders within a Notice of Meeting pursuant to which the resolution to elect or re-elect such Director will be voted on.

4. Retirement and Re-election of Directors

The Company's Constitution states that one-third of the total member Directors of the Board must retire each year with the exception of the CEO or Managing Director. The maximum period that each Director can serve in any single term is three years. Any Director who has been appointed during the year must retire at the next annual general meeting of the Company and may offer themselves for election at that meeting. Eligible Directors who retire each year in accordance with the rotation policy may offer themselves for re-election by shareholders at the next annual general meeting.

5. Compulsory Retirement of Directors

The Board has no limit on the number of terms of office which any Director may serve in accordance with the Company's Constitution.

8 PROMOTE A CORPORATE CULTURE BASED ON ETHICAL VALUES AND BEHAVIOURS

Application

The Board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.

The policy set by the Board should be visible in the actions and decisions of the Chief Executive and the rest of the management team. Corporate values should guide the objectives and strategy of the Company.

The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the Company.

The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the Company

1. Transparency

All Directors are committed to transparency and the highest standard of ethical dealings with all stakeholders as the Company realises that this is critical in maintaining the quality of relationships which are vital for success. The Company's culture and values are based on these commitments.

2. Compliance with Laws

The Company operates in the international oil & gas sector and therefore recognises that its corporate culture, values and practices not only need to comply with Australian and UK law and the laws of the countries in which the Company operates, but also to incorporate ethical values and professional behaviour which reflect positively on the Company and treats employees, partners, stakeholders and service providers with respect at all times.

The Company's Code of Conduct sets out compliance with rules, laws and regulations, such as the UK Bribery Act and the Company's whistleblowing policy, and given that Global Petroleum is a UK AIM listed company, has adopted a Market Abuse Regulations (MAR) 2016 compliant share dealing code.

9 MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

Application

The Company should maintain governance structures and processes in line with its corporate culture and appropriate to its:

- size and complexity; and
- capacity, appetite and tolerance for risk.

The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the Company

1. Board Charter

The Company has adopted a Board Charter. The Board Charter sets out the specific responsibilities of the Board, the requirements as to the Board's composition, the roles and responsibilities of the Chairman, Company Secretary and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. The Board Charter is available on the Company's website in the Corporate Governance section.

2. Nomination Committee

The Company does not currently have an active Nomination Committee due to its current size. The Board as a whole considers the composition of the Board and appointment of new Directors, including the mix of skills, knowledge and experience required for the proper function of the Board. The Board identifies suitable candidates to fill vacancies as they arise.

If the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically to determine if a Nomination Committee is required for the Board to properly perform its responsibilities and functions.

3. Audit & Risk Committee

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate Audit & Risk Committee at this time. The Board as a

whole is able to address the audit, risk and other governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

If the Company's activities increase in size, scope and nature, the formation of a separate Audit & Risk Committee will be reviewed by the Board and implemented if appropriate.

4. Remuneration Committee

The Company does not have a dedicated Remuneration Committee. The task of ensuring that the level of Director and executive remuneration is appropriate and not excessive and ensuring that remuneration and its relationship to performance is clear, is dealt with by the full Board.

If the Company's activities increase in size, scope and nature, the formation of a separate Remuneration Committee will be reviewed by the Board and implemented if appropriate.

10 COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

Application

A healthy dialogue should exist between the Board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the Company. In particular, appropriate communication and reporting structures should exist between the Board and all constituent parts of its shareholder base. This will assist:

- the communication of shareholders' views to the Board; and
- the shareholders' understanding of the unique circumstances and constraints faced by the Company.

It should be clear where these communication practices are described (annual report or website).

1. Continuous Disclosure

The Company Secretary together with the Board has responsibility for ensuring compliance with the continuous disclosure requirements in accordance with the AIM Rules, plus overseeing and coordinating information disclosure to analysts, brokers, shareholders, the media and the public.

Global Petroleum is committed to giving all shareholders comprehensive and equal access to information about its activities, and to meet continuous disclosure obligations to the broader market.

As already noted in Principle 1, the Company communicates with all stakeholders through the Company's website, Regulatory News Service announcements, Annual and Half Yearly Report and Accounts, AGMs and public presentations.