



# **GLOBAL PETROLEUM LIMITED AND CONTROLLED ENTITIES**

**ABN: 68 064 120 896**

**Financial Report For The Half-Year Ended  
31 December 2021**

# GLOBAL PETROLEUM LIMITED AND CONTROLLED ENTITIES



ABN: 68 064 120 896

## Financial Report For The Half-Year Ended 31 December 2021

<b>CONTENTS</b>	<b>Page</b>
Letter to Shareholders	1
Directors' Report	3
Auditor's Independence Declaration	6
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Condensed Consolidated Statement of Financial Position	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	15
Independent Auditor's Report	16

## GLOBAL PETROLEUM LIMITED LETTER TO SHAREHOLDERS



Dear Shareholders,

We are pleased to present to you the Global Interim Financial Report for the six months ended 31 December 2021.

The Company's focus during the reporting period was the continued strengthening of its finances in order to position it to enter the next sub-phase of its Namibian licence PEL0094 from September 2021, and ongoing exploration work on this licence.

In August 2021, Global notified the Ministry of Mines and Energy of its intention to enter into the remaining one year of the PEL0094 Initial Exploration Period, expiring in September 2022. The commitment for this period is to shoot a 2,000 square kilometre 3D seismic data survey. During the period Global has continued with its technical work on the licence, successfully mapping, with the latest technology, the Barremian-Aptian Kudu Shale source rock from previous drilling in the Walvis Basin into its licence area.

Following the end of the reporting period, in February 2022, the oil and gas exploration sector of Namibia was transformed by the announcement of two significant discoveries of oil and gas in the Orange Basin, southern Namibia, reinforcing evidence of a new petroleum province offshore Namibia. The Shell operated Graff-1 well made a discovery of light oil in both primary and secondary targets, proving a working petroleum system for light oil. The TotalEnergies operated Venus 1-X well discovered light oil with associated gas. Rapid appraisal of both discoveries by the respective joint ventures is anticipated. Both of these discoveries, and Global's prospects and leads on PEL0094, are interpreted by the Company to be sourced with the Barremian-Aptian Kudu Shale. Accordingly the apparent technical similarities between these discoveries and the prospectivity in our own licence is highly encouraging.

In November 2021 the Company appointed PVE Consultants to assist in the farm-out of PEL0094, ahead of the exploration drilling in the Orange Basin. Apart from the technical similarities with PEL0094 referred to above, the successful outcome of the Graff-1 and Venus 1-X wells is widely expected to spark interest in Namibian offshore exploration as a whole.

In Italy, regarding the outstanding appeal in relation to the Company's four licence applications in the Adriatic Sea, the judgement of the European Court was announced by the Company in January 2022. The Court found, in effect, that the Company's licence applications offshore Italy in the southern Adriatic do not contravene EU law. Subsequently, in February 2022, the anticipated Hydrocarbon Plan for future exploration and development in Italy was published, and came into legal effect. Global and its advisers are currently undertaking a detailed study of the Hydrocarbon Plan with reference to our licence applications, and the process and timing for implementation of the Plan. Following this, we will assess the Company's options on the way forward with the applications.

### **Corporate**

The Company notes the continuing volatility of the oil price, which had fallen significantly due to the impact of the COVID-19 pandemic. Its subsequent recovery as demand for oil has increased has recently been over-shadowed by the invasion of the Ukraine, which has caused the oil price to reach levels not seen for many years, with heightened supply concerns. As a pre-revenue company in the early stages of exploration, Global does not directly benefit from current high oil prices. The Company has no direct or indirect exposure to Russia and is not directly impacted by sanctions imposed on the country and/or people and entities connected with it.

The strengthening of the Company's financial position, which commenced in 2020, has now seen three successful equity share placings which have raised combined total gross proceeds of £3.4 million (excluding any further proceeds from the future potential exercise of associated warrants). The most recent of these was undertaken in the reporting period in August 2021, and raised gross proceeds of £1.0 million.

We are pleased to have successfully undertaken this strengthening of Global's finances, and are delighted to welcome new shareholders to the Company.

Proceeds from these equity raises has enabled the Company to continue its exploration activities in Namibia, including entering the remaining one year Initial Exploration Period on PEL0094 until September 2022, together with ongoing efforts to farm-out part of its equity in this licence.

The impact on our business operations related to COVID-19 has fortunately been very limited.

### **Financial**

During the six months ended 31 December 2021, the Group recorded a loss after tax of US\$825,890 (2020: US\$3,055,295). Cash balances at 31 December 2021 amounted to US\$2,007,024 (30 June 2021: US\$1,834,434), the increase reflecting the proceeds from the equity raise completed in the reporting period. The Group has no debt outside of suppliers who are settled on normal commercial terms.

**GLOBAL PETROLEUM LIMITED  
LETTER TO SHAREHOLDERS**



**Strategy and Outlook**

The recent drilling successes in the Orange Basin are expected to bring a very strong boost to both industry and investor confidence in relation to Namibian offshore exploration generally. We believe that Global is well positioned to benefit from this, and are continuing with our farm-out process to fund the next stage of exploration on our licence.

In Italy, we will need to finish our detailed study of the implications of the new Hydrocarbon Plan, and then determine our next steps in relation to our licence applications in the southern Adriatic Sea.

In addition, as previously announced, the Company will continue to explore all strategic alternatives in order to maximise shareholder value.

John van der Welle  
Chairman

Peter Hill  
Chief Executive Officer

## **1. OPERATING AND FINANCIAL REVIEW**

### **Namibian Project**

The Namibian Project consists of an operated 78 per cent participating interest in Petroleum Exploration Licence (“PEL”) 0094 (acquired in 2018) which covers Block 2011A (see Figure 1). The Company also previously held an operated 85 per cent participating interest in PEL0029 covering Blocks 1910B and 2010A. PEL0029 expired on 3 December 2020, enabling the Company to focus its technical efforts on PEL0094.

In July 2020 the Company announced updated estimates of Prospective Resources for PEL0094 after interpretation of the existing 3D seismic data, licensed from the Namibian State Oil Company, NAMCOR, in March 2020. The agreement with NAMCOR to licence the 3D seismic data on Block 2011A in return for extra equity in the licence helped conserve the Company’s cash resources. The interpretation of the 3D seismic data led to increased confidence in the two prospects, Marula and Welwitschia Deep. The Marula prospect is a distal pinchout of Upper Cretaceous sandstones onto the Welwitschia high. The Welwitschia Deep prospect was also confirmed by interpretation of the 3D seismic data as an Albian carbonate reservoir.

The four-year Initial Exploration Period of PEL0094 had initially been split into two sub-periods of two years each, with the first sub-period ending in September 2020. By an amendment agreed with the Ministry of Mines and Energy (the “Ministry”), the Ministry gave Global a further year to fulfill a modified work commitment, concentrated on the licensing of existing seismic data and the carrying out of studies specifically designed to focus on the exciting Marula and Welwitschia Deep prospects.

In November 2020 the Company purchased historic 2D seismic data in order to map the source rock from the Wingat-1 and Murombe-1 wells in the south of the Walvis Basin into Global’s acreage to the north. The Company also commissioned studies to examine the amplitude with offset (“AVO”) response of the source rock in both the wells and on the seismic data, and also performed seismic inversion on some of the data. The Company’s interpretation of this data, together with the commissioned studies, enabled the source rock to be mapped with even further confidence into Global’s acreage. In December 2020 the Company purchased further historic 2D seismic data in order to improve interpretation of both its Marula prospect and also the relatively under-explored eastern part of the block.

Consequently, in January 2021 the Company announced an updated estimate of Prospective Resources for PEL0094. The additional Prospective Resources in the east of PEL0094 consist of 7 new leads with a total unrisks gross Prospective Resources (Best Estimate) of 2,048 million barrels of oil (“barrels”). As previously reported in July 2020, the pre-existing prospects - Marula and Welwitschia Deep - contain a total of 881 million barrels, making a new total on the licence of 2,929 million barrels unrisks gross Prospective Resources (Best Estimate). Regarding the Prospective Resources attributable to Global, the total unrisks net Prospective Resources (Best Estimate) now total 2,284 million barrels compared with the previous number of 687 million barrels net to Global – which related to Marula and Welwitschia Deep alone. This means that the total unrisks net Prospective Resources (Best Estimate) – both gross and net – are over three times as large, due to the new leads identified. When adjusted for exploration risk, Prospective Resources have approximately doubled.

The technical work undertaken in late 2020 more than fulfilled the firm work commitments for the extended sub-period to September 2021. As well as identification of the significant new leads in the eastern part of PEL0094, the geological chance of success of Marula was increased from 18 per cent to 22 per cent and the further work significantly reinforced the Company’s confidence that the source rock is present and generating oil in PEL0094 and vindicated the Company’s view that the acreage is highly prospective.

In August 2021 Global notified the Ministry of its intention to enter into the remaining one year of the Initial Exploration Period, expiring in September 2022. The commitment for this period is to shoot a new 2,000 square kilometre 3D seismic data survey, which the Company intends to fund via a farm-out. The Company expects to be able to secure a further one-year extension to the Initial Exploration Period (to September 2023) if necessary, based on the precedent of PEL0029 and that of other companies holding exploration licences offshore Namibia.

Much of the interest by oil companies (including super-majors) in Namibia historically was believed to have been driven by the perception that the Barremian-Aptian source rock in Namibia is of excellent quality, regionally developed and so capable of generating substantial volumes of hydrocarbons. The source rock had been proven by previous drilling in southern Namibia where the Orange Basin is located. The same Barremian-Aptian source rock is also proven by two previous wells in the Walvis Basin in the north (where PEL0094 is situated). Global used part of the proceeds raised in 2021 to map the source rock from those wells into its licence, using the latest technology, and carried out a study to calculate the volume of oil likely generated and available to migrate into Global’s prospects and leads.

Following the end of the reporting period, in February 2022 the oil and gas exploration sector of Namibia was transformed by the announcement of two significant discoveries of oil and gas in the Orange Basin, southern Namibia, reinforcing evidence of a new petroleum province offshore Namibia. The Shell operated Graff-1 well made a discovery of light oil in both primary and secondary targets, proving a working petroleum system for light oil. The TotalEnergies operated Venus 1-X well discovered light oil with associated gas. Rapid appraisal of both discoveries by the respective joint ventures is anticipated. Both of these discoveries, and Global’s prospects and leads on PEL0094, are interpreted by the Company to be sourced from the Barremian-Aptian as previously prognosed. Accordingly, the apparent technical similarities between these discoveries and the prospectivity in our own licence is highly encouraging.

In November 2021 the Company appointed PVE Consultants to assist in the farm-out of PEL0094, ahead of the exploration drilling in the Orange Basin. Apart from the technical similarities with PEL0094 referred to above, the successful outcome of the Graff-1 and Venus 1-X wells is widely expected to spark interest in Namibian offshore exploration as a whole.

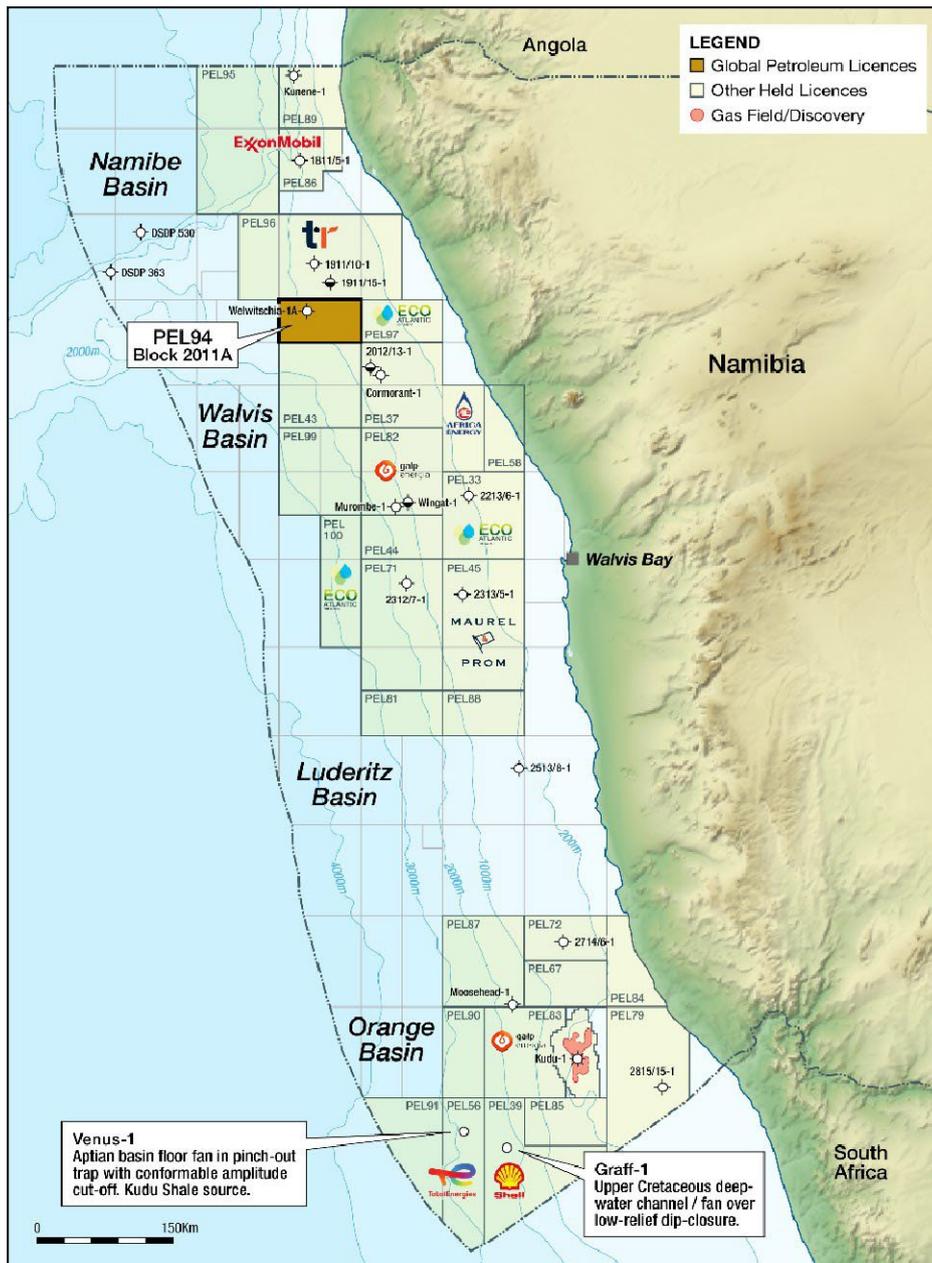


FIGURE 1 - Map of Namibia showing Global Petroleum's Licence

**Permit Applications Offshore Italy**

In August 2013, the Company submitted an application, proposed work programme and budget to the Italian Ministry of Economic Development for four exploration areas offshore Italy in the southern Adriatic (the "Permit Applications"). The Company's four Application Blocks are contiguous with the Italian median lines abutting Croatia, Montenegro and Albania respectively (see Figure 2 below).

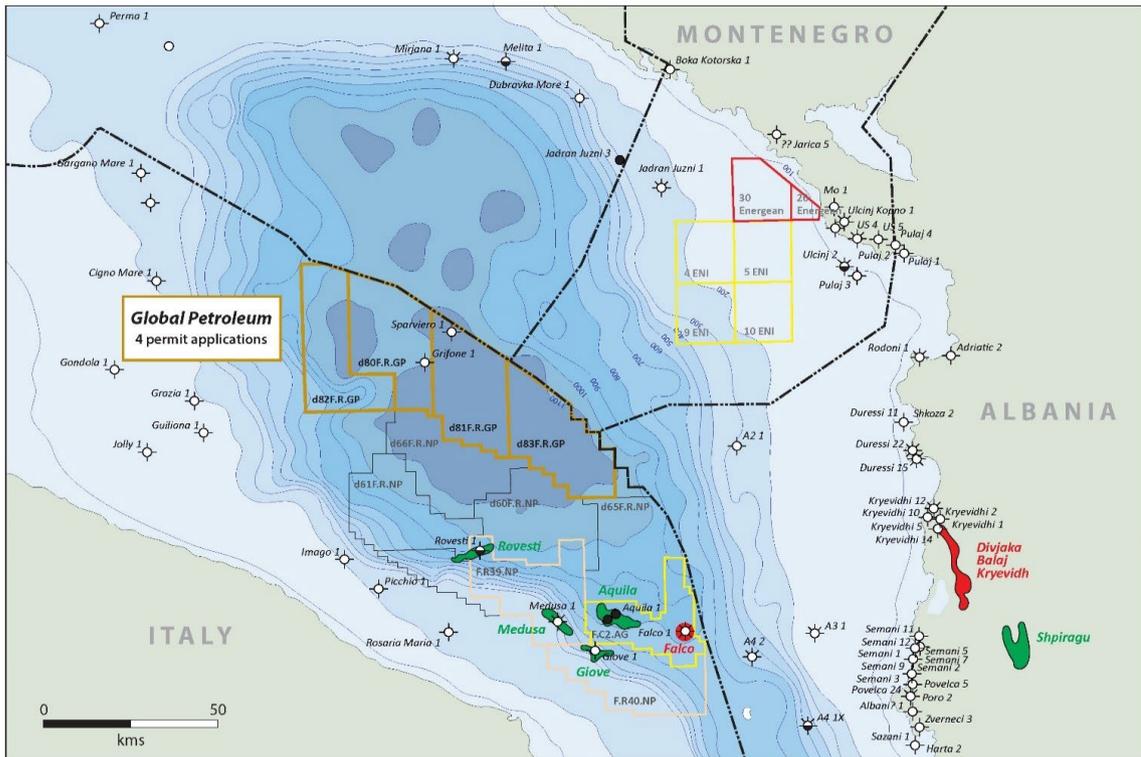
As previously reported, various local authorities and interest groups appealed to either the Rome Tribunal or the President of the Republic against the Environmental Decrees in relation to the applications of the four areas. Publication of Environmental Decrees is the final administrative stage before grant of the Permits. All first instance appeals made to the Rome Tribunal and to the President of the Republic were subsequently adjudicated in Global's favour.

However, Puglia, as the Italian region principally interested, made additional appeals to the Council of State (the highest level of appeal in Italy) against the judgements of the Rome Tribunal. The subsequent appeals were heard by the Council of State in January 2020, and in February 2020 the Council of State issued a judgement. Essentially, the Council of State suspended the proceedings before it and referred the matter to the European Court, requesting the Court to rule whether the four Permit Applications contravene a relevant EU Directive relating to the maximum permissible size of individual permits, in particular having regard to the fact that the four permit applications are contiguous.

The judgement of the European Court was announced by the Company in January 2022. The Court found, in effect, that the Company's licence applications offshore Italy in the southern Adriatic do not contravene EU law.

In February 2019, the Italian Parliament passed a Bill suspending all hydrocarbon exploration activities – including permit applications – for a period of 18 months. Under the proposed legislation, a Government-appointed Commission was to review all onshore and offshore areas for the stated purpose of evaluating their suitability for hydrocarbon exploration and development in the future. In doing so, the suitability of such activities in the context of social, industrial, urban, water source and environmental factors were to be evaluated. In offshore areas, suitability would additionally be assessed having regard to the impact of such activity on the littoral environment, marine ecosystems and shipping routes. Following the 18-month evaluation period, the intention was that a Hydrocarbon Plan would be activated, setting out a strategy for future exploration and development. Following the expiry of its initial 18-month term, the moratorium was extended twice.

In February 2022, the anticipated Hydrocarbon Plan was published, and came into legal effect. Global and its advisers are currently undertaking a detailed study of the Hydrocarbon Plan with reference to our licence applications, and the process and timing for implementation of the Plan. Following this, we will assess the Company's options on the way forward with the applications.



**FIGURE 2 - Map of Global Petroleum's 4 Permit Applications Offshore Italy in Southern Adriatic**

**2. DIRECTORS**

The Directors of the Company at any time during or since the half-year are:

**Non-Executive**

- |   |                        |
|---|------------------------|
| Mr John van der Welle                     | Non-executive Chairman |
| Mr Andrew Draffin                         | Non-executive Director |
| Mr Garrick Higgins                        | Non-executive Director |
| Mr Peter Taylor (resigned 31 August 2021) | Non-executive Director |

**Executive**

- |               |   |
|---------------|---|
| Mr Peter Hill | Managing Director and Chief Executive Officer |
|---------------|---|

**3. SUBSEQUENT EVENTS**

There are no events subsequent to reporting period.

**4. AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

The lead auditor's independence declaration is set out on page 7 and forms part of the Directors' Report for the 6 month period ended 31 December 2021.

Signed in accordance with a resolution of the Directors:



Andrew Draffin  
Director and Company Secretary  
Dated: : 29 March 2022

**GLOBAL PETROLEUM LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**



		<b>Group</b>	
		<b>For the six months ended 31</b>	
		<b>December</b>	
	<b>Note</b>	<b>2021 US\$</b>	<b>2020 US\$</b>
Employee benefits expense		(270,052)	(132,365)
Administrative expenses		(416,361)	(433,959)
Other expenses		(88,986)	(120,548)
Depreciation and amortisation		(1,720)	(1,720)
Exploration and business development expenses	5	(546)	(27,886)
Exploration written off	5	-	(2,409,656)
Foreign exchange gain		(48,357)	70,122
<b>Results from operating activities</b>		<b>(826,022)</b>	<b>(3,056,012)</b>
Finance income		132	717
<b>Net finance income</b>		<b>132</b>	<b>717</b>
<b>Loss before income tax</b>		<b>(825,890)</b>	<b>(3,055,295)</b>
Tax benefit (expense)		-	-
<b>Loss for the period</b>		<b>(825,890)</b>	<b>(3,055,295)</b>
<b>Earnings per share</b>			
From continuing and discontinued operations			
Basic loss per share (cents)		(0.11)	(1.03)
Diluted loss per share (cents)		(0.11)	(1.03)

The accompanying notes form part of these financial statements.

**GLOBAL PETROLEUM LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**



		Group	
		31 December 2021 US\$	30 June 2021 US\$
Assets	Note		
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,007,024	1,834,434
Trade and other receivables		53,851	80,622
Other assets		235,412	39,384
<b>Total current assets</b>		<b>2,296,287</b>	<b>1,954,440</b>
<b>Non-current assets</b>			
Property, plant and equipment		14,877	16,597
Exploration and evaluation assets	5	1,164,739	972,467
<b>Total non-current assets</b>		<b>1,179,616</b>	<b>989,064</b>
<b>Total assets</b>		<b>3,475,903</b>	<b>2,943,504</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		89,537	83,999
Provisions		231,229	163,458
<b>Total current liabilities</b>		<b>320,766</b>	<b>247,457</b>
<b>Total liabilities</b>		<b>320,766</b>	<b>247,457</b>
<b>Net assets</b>		<b>3,155,137</b>	<b>2,696,047</b>
<b>Equity attributable to owners of the parent entity</b>			
Issued capital	6	43,474,971	42,189,991
Reserves		1,249,042	1,249,042
Accumulated losses		(41,568,876)	(40,742,986)
<b>Total equity</b>		<b>3,155,137</b>	<b>2,696,047</b>

The accompanying notes form part of these financial statements.

GLOBAL PETROLEUM LIMITED  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021



	Issued Share Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	US\$	US\$	US\$	US\$	US\$
<b>Consolidated Group</b>					
<b>Six months ended 31 December 2020</b>					
<b>Balance at 1 July 2020</b>	<b>39,221,112</b>	<b>964,895</b>	<b>570,410</b>	<b>(37,338,245)</b>	<b>3,418,172</b>
<b>Comprehensive income/(loss)</b>					
Loss for the period	-	-	-	(3,055,295)	(3,055,295)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,055,295)</b>	<b>(3,055,295)</b>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Issue of shares	1,801,040	-	-	-	1,801,040
Transaction costs	(97,780)	-	-	-	(97,780)
<b>Total transactions with owners and other transfers</b>	<b>1,703,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,703,260</b>
<b>Balance at 31 December 2020</b>	<b>40,924,372</b>	<b>964,895</b>	<b>570,410</b>	<b>(40,393,540)</b>	<b>2,066,137</b>
<b>Six months ended 31 December 2021</b>					
<b>Balance at 1 July 2021</b>	<b>42,189,991</b>	<b>678,632</b>	<b>570,410</b>	<b>(40,742,986)</b>	<b>2,696,047</b>
<b>Comprehensive income/(loss)</b>					
Loss for the period	-	-	-	(825,890)	(825,890)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(825,890)</b>	<b>(825,890)</b>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Issue of shares	1,367,000	-	-	-	1,367,000
Transaction costs	(82,020)	-	-	-	(82,020)
<b>Total transactions with owners and other transfers</b>	<b>1,284,980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,284,980</b>
<b>Balance at 31 December 2021</b>	<b>43,474,971</b>	<b>678,632</b>	<b>570,410</b>	<b>(41,568,876)</b>	<b>3,155,137</b>

The accompanying notes form part of these financial statements.

**GLOBAL PETROLEUM LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**



Note	Group	
	For the six months ended 31 December	
	2021 US\$	2020 US\$
<b>Cash flows from operating activities</b>		
Interest received	132	717
Payments to suppliers and employees	(816,425)	(759,344)
GST/VAT refunds received	26,771	26,832
<b>Net cash (used in) operating activities</b>	<b>(789,522)</b>	<b>(731,795)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and business development expenditure	(192,818)	(656,496)
Reclassification of bank guarantee	(130,050)	-
<b>Net cash (used in) investing activities</b>	<b>(322,868)</b>	<b>(656,496)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	1,367,000	1,801,040
Payments for capital raising costs	(82,020)	(97,780)
<b>Net cash provided by financing activities</b>	<b>1,284,980</b>	<b>1,703,260</b>
Net increase/(decrease) in cash held	172,590	314,969
Cash and cash equivalents at 1 July	1,834,434	932,818
<b>Cash and cash equivalents at 31 December</b>	<b>2,007,024</b>	<b>1,247,787</b>

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Global Petroleum Limited and Controlled Entities (the "Group").

#### **Note 1 Reporting Entity**

Global Petroleum Limited ("Global") is a company domiciled and incorporated in Australia. It is a company limited by shares and whose shares are publicly traded on the London Stock Exchange (AIM). The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2021 are comprised of the Company and its controlled entities (together referred to as the "Group"). The Group is a for-profit entity and is primarily involved in oil and gas exploration and development.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2021 are available upon request from the Company's registered office at Level 4 91 William Street, Melbourne, VIC 3000, Australia or at [www.globalpetroleum.com.au](http://www.globalpetroleum.com.au).

#### **Note 2 Basis of Preparation**

##### **Statement of compliance**

These interim financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting, the Corporations Act 2001 and IAS 34 Interim Financial Reporting. They should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 June 2021 ('last annual financial statements'). They do not include all of the information required for a complete set of annual financials statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company's Board of Directors on 29 March 2022.

The financial information in this half-year report is presented in United States dollars ("US\$").

##### **Use of judgement and estimates**

In preparing these interim financial statements, management has made adjustments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Any significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2021.

#### **Note 3 Summary of Significant Accounting Policies**

The accounting policies applied in these financial statements are the same as those applied to the Group's consolidated financial statements as at and for the year ended 30 June 2021.

##### **Going Concern Note**

The financial statements have been prepared on the going concern basis of accounting, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The use of this basis of accounting takes into consideration the Group's current and forecast financing position, which indicate a material uncertainty due to the need to raise additional funds or reduce expenditure commitments in order to meet liabilities as they are expected to fall due in the next twelve months.

The Group has no source of operating revenue and settles its expenditure obligations from existing cash resources. It generated a loss of US\$825,890 (31 December 2020: loss of US\$3,055,295) and had net cash outflows from the operating activities of US\$789,522 (31 December 2020: net cash outflows of US\$731,795) for the half-year ended 31 December 2021. As of that date, the Group had net assets of US\$3,155,137 (30 June 2021: US\$2,696,047) and cash assets of US\$2,007,024 (30 June 2021: US\$1,834,434). The Group has no debt.

The Directors have prepared a cash flow forecast for the next 12 months based on best estimates of future inflows and outflows of cash, to support the Group's ability to continue as a going concern. The ability of the Company to continue as a going concern is principally dependent upon a combination of one or more of the following factors – management of existing funds; securing further funds via raising capital from equity markets; concluding a farm-out arrangement whereby a farm-in party would assume the costs of meeting certain future exploration and other commitments on the Company's Namibian licence; and the deferral of licence commitments.

The raising of additional equity capital is subject to market conditions and investor demand; securing a farm-out requires agreement with a suitable third party which the Group has not achieved to date; and any deferral of licence commitments would require the consent of the Namibian Ministry of Mines and Energy. As each of these are not within the Company's control, these conditions constitute a material uncertainty that may cast significant doubt on the use of the going concern basis of accounting. However the Directors have a reasonable expectation that one or more of these actions will be achieved, noting the Company has raised gross proceeds of GBP3.4 million in three successful equity raises in the period from September 2020 to August 2021.

Accordingly the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, and therefore the Directors continue to adopt the going concern basis of accounting in preparing financial statements. The financial statements do not include any adjustments relating to the classification of assets including Exploration and Evaluation assets, or the recoverability of asset carrying values, or the amount and classification of liabilities, that might result should the Group be unable to continue as a going concern.

##### **Application of New and Revised Accounting Standards**

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 4 Interests in Subsidiaries**

**(a) Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group.

Name of subsidiary	Principal place of business	Ownership interest held by the Group	
		31 December 2021 (%)	30 June 2021 (%)
Global Petroleum UK Limited	United Kingdom	100	100
Global Petroleum Exploration Limited	United Kingdom	100	100
Global Petroleum Namibia Limited	British Virgin Islands	100	100

**Note 5 Exploration and Evaluation Assets**

	6 months to 31 December 2021	12 months to 30 June 2021
	US\$	US\$
Balance at beginning of period	972,467	2,673,754
Expenditure capitalised during the period	192,272	708,985
Expenditure written off during the period	-	(2,410,272)
<b>Balance at end of period</b>	<b>1,164,739</b>	<b>972,467</b>

The Group's Exploration and Evaluation Assets at the end of the reporting period relates solely to its Namibian licence PEL0094.

During the reporting period, the Group did not expense any other exploration and evaluation costs in the statement of profit and loss, (31 December 2020: US\$2,409,656).

An amount of US\$546 (31 December 2020: US\$27,886) was expensed on business development, which relates to the Group's activities in assessing other opportunities in the oil and gas sector.

**Namibia**

In September 2018, Global Petroleum Namibia was awarded licence PEL0094 and a Petroleum Agreement was signed on 11 September 2018. The Initial Exploration Period runs for four years, and is divided into two sub periods of two years each; IEP1, and IEP2. IEP1 runs from September 2018 to September 2020. During IEP1, Global has undertaken to purchase and reprocess the existing available 3D seismic data and other 2D data, as well as some additional G & G studies. In July 2020, agreement was reached with the Ministry of Mines and Energy ("MME") for the extension of the sub-period ending in September 2020 for one year to September 2021, with a modified work commitment. The Company has met all IEP1 commitments at the date of this report. In August 2021, the Company announced that the Namibian authorities had acknowledged the exercise by the Company of its option to enter into the next sub-period of PEL0094 from September 2021 to September 2022.

**Note 6 Issued Capital**

	6 months to 31 December 2021	12 months to 30 June 2021
	US\$	US\$
811,541,816 (30 June 2021: 611,541,816) fully paid ordinary shares	43,474,971	42,189,991
	<u>43,474,971</u>	<u>42,189,991</u>

The Group has authorised share capital amounting to 811,541,816 ordinary shares.

(a) Ordinary Shares	6 months to 31 December 2021		12 months to 30 June 2021	
	No.	US\$	No.	US\$
Balance at beginning of period	611,541,816	42,189,991	202,652,927	39,221,112
Shares issued during the period	200,000,000	1,367,000	408,888,889	3,191,040
Less: Transaction costs	-	(82,020)	-	(222,161)
<b>Balance at end of period</b>	<b>811,541,816</b>	<b>43,474,971</b>	<b>611,541,816</b>	<b>42,189,991</b>

On 13 August 2021, the Company completed a placing, issuing a total of 200,000,000 fully paid ordinary shares, raising a total of US\$1,367,000.

(b) Options	6 months to 31 December 2021		12 months to 30 June 2021	
	Number of options	Weighted average exercise price US\$	Number of options	Weighted average exercise price US\$
Balance at beginning of period	27,100,000	0.0214	8,100,000	0.0380
Options issued during the period	-	-	19,000,000	0.0143
<b>Balance at end of period</b>	<b>27,100,000</b>	<b>0.0214</b>	<b>27,100,000</b>	<b>0.0214</b>

(c) Warrants	6 months to 31 December 2021		12 months to 30 June 2021	
	Number of warrants	Weighted average exercise price GBP	Number of warrants	Weighted average exercise price GBP
Balance at beginning of period	297,777,778	0.012	-	-
Warrants issued during the period	100,000,000	0.010	297,777,778	0.012
<b>Balance at end of period</b>	<b>397,777,778</b>	<b>0.011</b>	<b>297,777,778</b>	<b>0.012</b>

**Note 7 Operating Segments**

The following is an analysis of the Group's revenue and results by reportable segment.

Africa - the Group currently holds prospective oil and gas exploration interests offshore Namibia.

(a) Segment information

(i) Segment performance

For the six months ended 31 December	Africa		Consolidated	
	2021 US\$	2020 US\$	2021 US\$	2020 US\$
<b>Segment revenue</b>				
External revenue	-	-	-	-
Total revenue	-	-	-	-
<b>Segment result</b>				
Segment result	-	(2,409,656)	-	(2,409,656)
Interest income	-	-	132	717
Net foreign exchange gain (loss)	-	-	(48,357)	70,122
Corporate and administration costs	-	-	(777,665)	(716,478)
<b>Loss for the period before tax</b>	<b>-</b>	<b>(2,409,656)</b>	<b>(825,890)</b>	<b>(3,055,295)</b>
Income tax benefit	-	-	-	-
<b>Loss for the 6 months period</b>	<b>-</b>	<b>(2,409,656)</b>	<b>(825,890)</b>	<b>(3,055,295)</b>

Note 7: Operating Segments (continued)

(ii) Segment assets and liabilities

	Africa		Consolidated	
	31 December 2021 US\$	30 June 2021 US\$	31 December 2021 US\$	30 June 2021 US\$
<b>Assets</b>				
Segment assets	1,164,739	972,467	1,164,739	972,467
Unallocated assets	-	-	2,311,164	1,971,037
<b>Consolidated assets</b>	<b>1,164,739</b>	<b>972,467</b>	<b>3,475,903</b>	<b>2,943,504</b>
<b>Liabilities</b>				
Segment liabilities	9,534	3,500	9,534	3,500
Unallocated liabilities	-	-	311,232	243,957
<b>Consolidated liabilities</b>	<b>9,534</b>	<b>3,500</b>	<b>320,766</b>	<b>247,457</b>
Acquisition of non-current assets, including capitalised exploration assets	192,272	708,985	192,272	708,985

**Note 8 Share-based Payments**

No share based payments were made during the 6 month period to 31 December 2021.

**Note 9 Financial Instruments**

The financial assets and liabilities consist of trade and other receivables and trade and other payables. The financial assets and liabilities are carried at amortised cost, the carrying value is assumed to approximate their fair value.

**Note 10 Capital and Joint Venture Commitments**

(a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various foreign governments where exploration tenements are held. These obligations are subject to renegotiation when application for a tenement is made and at other times. These obligations are not provided for in the financial statements. Financial commitments for subsequent periods can only be determined at future dates, as the success or otherwise of exploration programmes determines courses of action allowed under options available in tenements. The Group's only exploration expenditure commitments relate to its interest in joint ventures.

(b) Namibia Licence PEL0094

Global was awarded licence PEL0094 in Namibia in September 2018, and a Petroleum Agreement was signed on 11 September 2018. The Initial Exploration Period ("IEP") runs for four years, and is divided into two sub periods of two years each; IEP1, and IEP2. IEP 1 runs from December 2018 to December 2020. In July 2020, agreement was reached with the MME for an extension of the sub period ending September 2020 for one year to September 2021, with a modified work commitment.

During IEP1, Global has undertaken to licence existing seismic data and the carry out of studies specifically designed to focus on the Marula and Welwitschia Deep prospects. The technical work undertaken in late 2020 has more than fulfilled the firm work commitments in respect of IEP1. In August 2021, the Company elected to enter the next licence sub-period IEP2 until September 2022. The commitment is to shoot and process a new 2,000 square kilometre 3D seismic data survey.

Global Petroleum Namibia Limited has an 78 per cent interest in the PEL0094, however it is responsible for 100 per cent of the expenditure requirements with its joint venture partners holding a total of 22 per cent free carried interest.

With respect to PEL0029 (Blocks 1910B and 2010A), the licence was issued on 3 December 2010 and expired under its terms on 3 December 2020, further extensions not being permitted under Namibian petroleum exploration law. The Company completed its outstanding licence work programme commitments for PEL0029 under budget in the latter part of 2020.

**Note 11 Subsequent Events**

There are no events subsequent to reporting period.

**GLOBAL PETROLEUM LIMITED  
DIRECTORS' DECLARATION**



In accordance with a resolution of the Directors of Global Petroleum Limited, the Directors of the Company declare that:

1. the condensed consolidated interim financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - (b) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the consolidated group;
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Director

A handwritten signature in blue ink, appearing to read "Mr Andrew Draffin".

**Mr Andrew Draffin**

Dated : 29 March 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GLOBAL PETROLEUM LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Global Petroleum Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Global Petroleum Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Global Petroleum Limited financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the financial report, which indicates that the Consolidated Entity incurred a net loss of USD \$825,890 during the half year ended 31 December 2021. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Responsibility of the Directors for the Financial Report

The directors of the Global Petroleum Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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.



**HALL CHADWICK WA AUDIT PTY LTD**



**MARK DELAURENTIS CA**  
**Director**

Dated Perth, Western Australia this 29<sup>th</sup> day of March 2022

To the Board of Directors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial statements of Global Petroleum Limited for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

*Hall Chadwick*

**HALL CHADWICK WA AUDIT PTY LTD**

*Mark Delaurentis*

**MARK DELAURENTIS CA**  
**Director**

Dated Perth, Western Australia this 29<sup>th</sup> day of March 2022