



26 October 2022

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

Global Petroleum Limited
("Global" or "the Company")

Annual Financial Report – Year Ended 30 June 2022

Global (AIM: GBP) is pleased to announce its financial results for the year ended 30 June 2022.

Operational

- Ongoing technical work has successfully mapped the Barremian-Aptian source rock from previous drilling in the Walvis Basin, offshore Namibia, into the Company's PEL0094 licence area; further study work supports the Company's interpretation of a working petroleum system in the area
- Two significant discoveries of oil and gas in the Orange Basin, offshore southern Namibia, announced in February 2022 by other operators and interpreted by Global to be sourced from the Barremian-Aptian, with highly encouraging technical similarities between these discoveries and the prospectivity in PEL0094; further exploration and appraisal drilling in the Orange Basin understood to be commencing in Q4 2022
- One year extension to PEL0094 granted by Namibian authorities, until September 2023
- European Court judgement in the Company's favour regarding its 4 permit applications ("Applications"), in Italian southern Adriatic Sea; Applications confirmed as in compliance with Italian government's new plan for sustainable energy transition, effective in February 2022, which permits gas exploration; good progress towards award being made

Financial

- Further successful equity raises of £1.0 million gross proceeds in August 2021, and £0.8 million post year-end in August 2022, strengthening the Company's finances and enabling continued exploration activity in Namibia
- Cash balance at year end US\$1,139,775 (30 June 2021: US\$1,834,434), reflecting ongoing expenditure partly offset by the equity raise in the period
- Cash balance of US\$1,498,293 on 30 September 2022 following most recent equity raise in August 2022
- Loss after tax US\$1,647,094 (2021: loss US\$3,927,794 following impairment write off associated with expired licence PEL0029).

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. Global believes it is well positioned to benefit from this, and the Company is continuing with its farm-out process to fund the next stage of exploration on its licence.

In Italy, the Company will endeavour to progress its Applications in the context of the prevailing political climate.

Finally, the Company will continue to explore all strategic alternatives in order to maximise shareholder value.

The Company confirms that a full copy of its latest Annual Report and Accounts will be available shortly on the Company's website: www.globalpetroleum.com.au

Global Petroleum Limited

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CHAIRMAN AND CEO'S REVIEW

We are pleased to present to you the Global Annual Financial Report for the year ended 30 June 2022.

The Company's focus during the reporting period, and subsequently, has been on ongoing exploration work and its farm-out process in respect of its Namibian licence PEL0094, and the continued strengthening of its finances in order to maintain its options for this licence and/or the possible pursuit of other strategic investments.

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 was to shoot a 2,000 square kilometre 3D seismic data survey. During the period Global has continued with its technical work on the licence. After successfully mapping, with the latest technology, the Barremian-Aptian Kudu Shale source rock from previous drilling in the Walvis Basin into its licence area the Company carried out a study with well-regarded consultants which predicted that in all cases the source rock is mature in the northern Walvis Basin and that sufficient volumes of hydrocarbons have migrated into the prospects in PEL0094. In addition, in June 2022 the Company licensed a satellite radar study over the Walvis, in which a number of oil seeps were identified within PEL0094. All of this work further supports the Company's interpretation of a working petroleum system in the area.

In April 2022 the Company announced that the Namibian authorities had granted a one year extension to the Initial Exploration Period, from September 2022 to September 2023.

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, heralding 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. This was closely followed by the TotalEnergies operated Venus-1X well which discovered light oil with associated gas. Evaluation of the discoveries has commenced with Shell's La Rona-1 well completed earlier in 2022, and further exploration and appraisal drilling by Shell and TotalEnergies is understood to be commencing in Q4 2022.

The Graff and Venus discoveries, and Global's prospects and leads on PEL0094, are all interpreted by the Company to be sourced by the Barremian-Aptian Kudu Shale. The apparent technical similarities in both source and reservoir between these discoveries and the prospectivity in our own licence is highly encouraging. Accordingly the Company believes that the Walvis Basin, where PEL0094 is situated, also has the potential to be extremely successful, and has the advantage of much shallower water depths generally than the discoveries in the south.

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-1X wells has sparked much interest in Namibian offshore exploration as a whole. The upcoming exploration and appraisal wells are widely expected to accelerate this interest even further.

In Italy, regarding the outstanding appeal in relation to the Company's four licence applications in the Adriatic Sea ("Applications"), the judgement of the European Court was announced by the Company in January 2022. The Court found, in effect, that the Company's Applications offshore Italy do not contravene EU law.

As previously announced by the Company, the 'Plan for Sustainable Energy Transition of Appropriate Areas' ("Plan") came into effect in Italy in February 2022.

A key structural component of the Plan is the provision that in future only exploration for gas (as opposed to oil) will be permitted in Italy, both onshore and offshore. With specific regard to the Applications, the Plan also provides that certain sections of the application areas as previously constituted are deemed to be excluded, a process referred to by the relevant authorities as "re-perimeterisation".

Notwithstanding the Company's reservations as to the practicality of gas-only exploration – a reservation which Global believes is widely shared within the Energy Industry and beyond - the Company provided the Italian authorities technical evidence of the gas prospectivity within the reduced application areas, also thereby accepting the re-perimeterisation of those areas.

The Italian Ministry of Ecological Transition has informed Global that the Company's exploration objectives in the Applications are in compliance with the provisions of the Plan, and that there is no impediment to the continuation of the process towards eventual award of the exploration permits. The Company has decided to continue the process accordingly, and good progress is being made.

However, the Company will continue to monitor both the evolving requirements of the application process and the wider legal and political environment in Italy – we are informed that, following the recent General Election in Italy, the coalition partners in the new Administration have all expressed support for future exploitation of oil & gas in the country. If the Applications are ultimately successful and the Company decides to accept award of exploration permits, we would seek a partner at the appropriate time.

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 four successful equity share placings which have raised combined total gross proceeds of £4.2 million (excluding any further proceeds from the future potential exercise of associated warrants). The most recent of these was undertaken after the end of the reporting period, in late August 2022, and raised gross proceeds of £0.8 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 now extended until September 2023, together with ongoing efforts to farm-out part of its equity in this licence.

Financial

During the year ended 30 June 2022, the Group recorded a loss after tax of US\$1,647,094 (2021: US\$3,927,794). Cash balances at 30 June 2022 amounted to US\$1,139,775 (30 June 2021: US\$1,834,434), the decrease reflecting ongoing expenditure partly offset by the proceeds from the equity raise completed in August 2021. On 30 September 2022 Global had cash balances of US\$1,498,293 following the equity raise completed after the end of the reporting period. The Group has no debt outside of suppliers who are settled on normal commercial terms

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 we are continuing with our farm-out process to fund the next stage of exploration on our licence.

In Italy, we will endeavour to progress our Applications in the context of the prevailing political climate.

Finally, 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

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 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 was to shoot a 2,000 square kilometre 3D seismic data survey. During the period Global has continued with its technical work on the licence. After successfully mapping, with the latest technology, the Barremian-Aptian Kudu Shale source rock from previous drilling in the Walvis Basin into its licence area, in late 2021 the company worked with the well-regarded geochemical consultancy IGI to build a number of petroleum systems models for the Walvis Basin. This study was further updated in summer 2022 and predicts that in all cases the source rock is mature in the northern Walvis Basin and that sufficient volumes of hydrocarbons have migrated into the prospects in PEL0094. In addition, in June 2022 the Company licensed a satellite radar oil seep study over the Walvis, in which a number of oil seeps have been identified within PEL0094. This further supports the Company’s interpretation of a working petroleum system in the area. In April 2022 the Company announced that the Namibian authorities had granted a one-year extension to the Initial Exploration Period, from September 2022 to September 2023.

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, heralding 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. This was closely followed by TotalEnergies operated Venus-1X well which discovered light oil with associated gas. Further evaluation of the discoveries has commenced, with Shell’s La Rona-1 well completed earlier in 2022, and further exploration and appraisal drilling by Shell and TotalEnergies is understood to be commencing in Q4 2022.

The Graff and Venus discoveries, and Global’s prospects and leads on PEL0094, are all interpreted by the Company to be sourced by the Barremian-Aptian Kudu Shale. The apparent technical similarities in both source and reservoir between these discoveries and the prospectivity in our own licence is highly encouraging. Accordingly, the Company believes that the Walvis Basin, where PEL0094 is situated, also has the potential to be extremely successful, and has the advantage of much shallower water depths generally than the discoveries in the south.

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-1X wells has sparked much interest in Namibian offshore exploration as a whole – a development which has become evident to Global in the course of its farmout of PEL0094, and also to industry observers generally. The upcoming exploration and appraisal wells are widely expected to accelerate this interest even further.

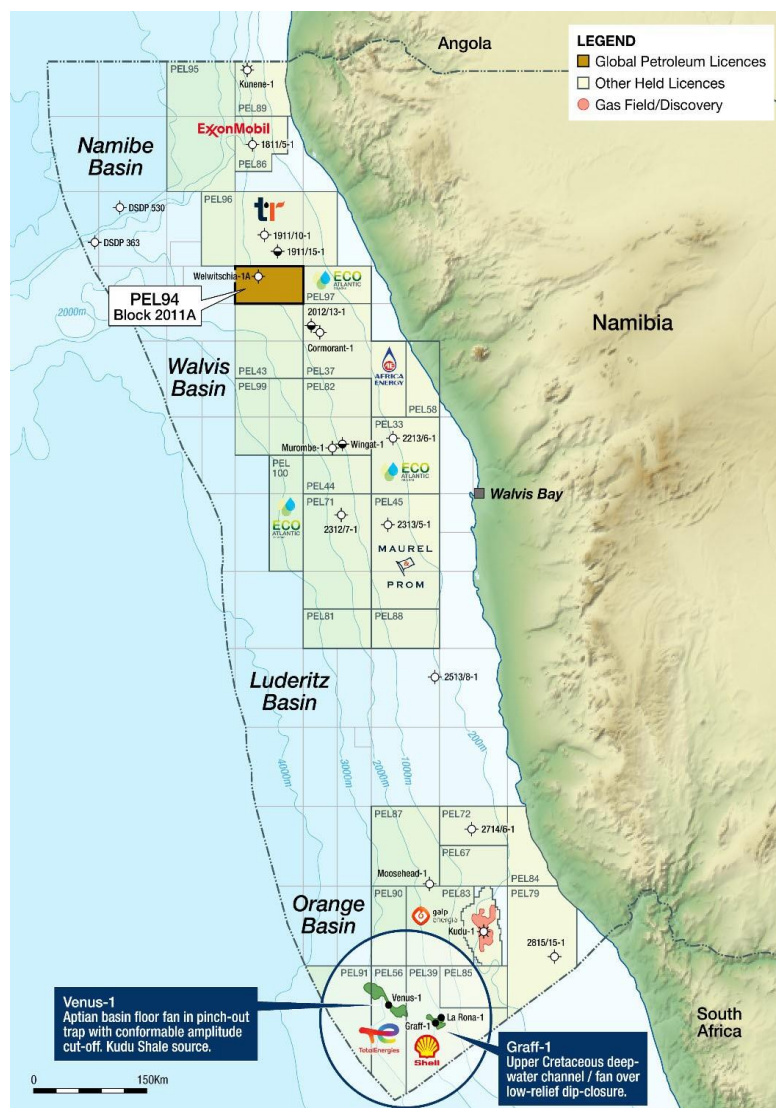


FIGURE 1 - Map of Namibia showing Global Petroleum's Licence

Permit Applications Offshore Italy

In August 2013, the Company submitted applications, proposed work programmes and budgets to the Italian Ministry of Economic Development for four exploration areas offshore Italy in the southern Adriatic (the "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 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 Applications do not contravene EU law.

Separately from the appeals process above, 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 'Plan for Sustainable Energy Transition of Appropriate Areas' ("Plan") was published and came into legal effect.

A key structural component of the Plan is the provision that in future only exploration for gas (as opposed to oil) will be permitted in Italy, both onshore and offshore. With specific regard to the Applications, the Plan also provides that certain sections of the application areas as previously constituted are deemed to be excluded, a process referred to by the relevant authorities as "re-perimeterisation".

Notwithstanding the Company's reservations as to the practicality of gas-only exploration – a reservation which Global believes is widely shared within the Energy Industry and beyond - the Company provided the Italian authorities technical evidence of the gas prospectivity within the reduced application areas, also thereby accepting the re-perimeterisation of those areas.

The Italian Ministry of Ecological Transition has informed Global that the Company's exploration objectives in the Applications are in compliance with the provisions of the Plan, and that there is no impediment to the continuation of the process towards eventual award of the exploration permits. The Company has decided to continue the process accordingly, and good progress is being made.

However, the Company will continue to monitor both the evolving requirements of the application process and the wider legal and political environment in Italy – we are informed that, following the recent General Election in Italy, the coalition partners in the new Administration have all expressed support for future exploitation of oil & gas in the country. If the Applications are ultimately successful and the Company decides to accept award of exploration permits, we would seek a partner at the appropriate time.

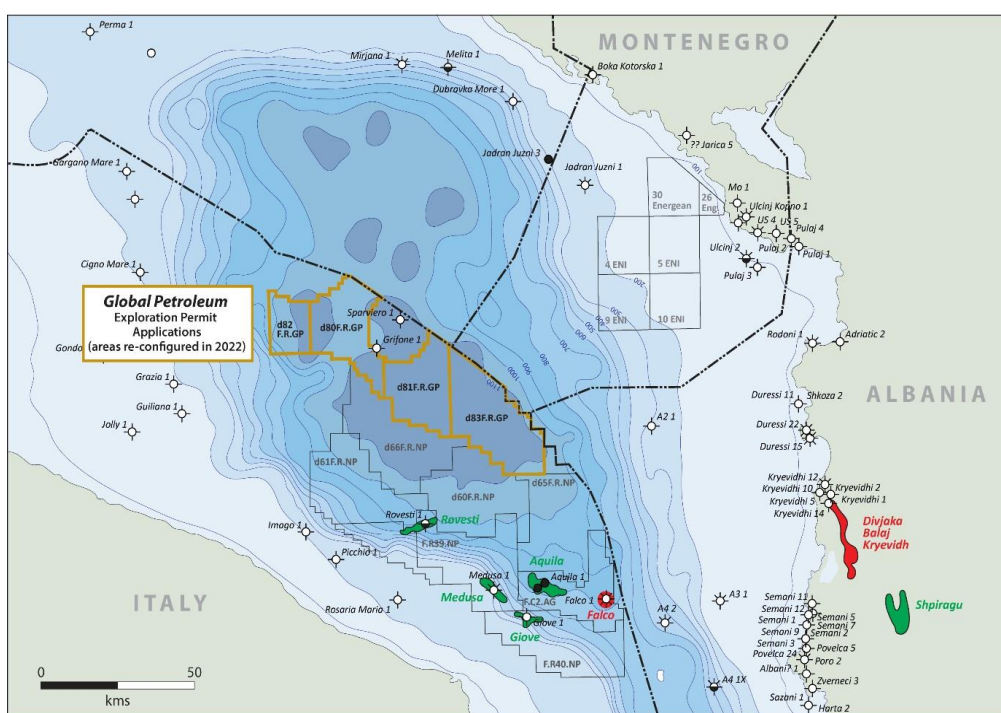


FIGURE 2 - Map of Global Petroleum's 4 Permit Applications Offshore Italy in Southern Adriatic

Results of operations

	2022 US\$	2021 US\$
Loss from continuing operations before tax	(1,647,094)	(3,927,794)
Corporation tax benefit (expense)	-	-
Net profit (loss)	(1,647,094)	(3,927,794)

The results of the Group include revenue from interest income of US\$519 (2021: US\$792).

Review of financial conditions

As at 30 June 2022, the Group had cash of US\$1,139,775 (2021: US\$1,834,434) and had no debt outside of suppliers who are settled on normal commercial terms.

GLOBAL PETROLEUM LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 US\$	2021 US\$
Continuing operations			
Employee benefits expense		(450,400)	(271,224)
Administrative expense		(830,592)	(873,302)
Exploration and business development expenses	11	(21,767)	(16,070)
Depreciation and amortisation expense		(3,439)	(3,439)
Other expenses		(162,970)	(196,303)
Exploration written off	11	-	(2,410,272)
Share based payments	19	-	(236,790)
Foreign exchange gain (loss)		(178,445)	78,814
Results from operating activities		(1,647,613)	(3,928,586)
Finance income		519	792
Net finance income		519	792
(Loss) from continuing operations before tax		(1,647,094)	(3,927,794)
Tax expense	3	-	-
(Loss) from continuing operations after tax		(1,647,094)	(3,927,794)
(Loss) for the year		(1,647,094)	(3,927,794)
Earnings per share			
From continuing and discontinued operations			
Basic earnings per share (cents)	6	(0.21)	(1.03)
Diluted earnings per share (cents)	6	(0.21)	(1.03)

The accompanying notes form part of these financial statements.

GLOBAL PETROLEUM LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 US\$	2021 US\$
Assets			
Current assets			
Cash and cash equivalents	7	1,139,775	1,834,434
Trade and other receivables	8	37,020	80,622
Other assets	12	185,159	39,384
Total current assets		1,361,954	1,954,440
Non-current assets			
Property, plant and equipment	10	13,158	16,597
Exploration and evaluation assets	11	1,291,599	972,467
Total non-current assets		1,304,757	989,064
Total assets		2,666,711	2,943,504
Liabilities			
Current liabilities			
Trade and other payables	13	112,048	83,999
Provisions	14	220,730	163,458
Total current liabilities		332,778	247,457
Total liabilities		332,778	247,457
Net assets		2,333,933	2,696,047
Equity			
Issued capital	15	43,474,971	42,189,991
Reserves	23	1,249,042	1,249,042
Accumulated losses		(42,390,080)	(40,742,986)
Total equity		2,333,933	2,696,047

The accompanying notes form part of these financial statements.

GLOBAL PETROLEUM LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Ordinary	Option	Foreign	Accumulated	Total
	US\$	Reserve	Currency	Losses	US\$
		US\$	Translation	US\$	
			Reserve		
			US\$		
Consolidated Group					
Balance at 1 July 2020	39,221,112	964,895	570,410	(37,338,245)	3,418,172
Comprehensive income					
Loss for the year	-	-	-	(3,927,794)	(3,927,794)
Total comprehensive income for the year	-	-	-	(3,927,794)	(3,927,794)
Transactions with owners, in their capacity as owners, and other transfers					
Issue of shares	3,191,040	-	-	-	3,191,040
Transaction costs	(222,161)	-	-	-	(222,161)
Expiry of options	-	(523,053)	-	523,053	-
Issue of options	-	236,790	-	-	236,790
Total transactions with owners and other transfers	2,968,879	(286,263)	-	523,053	3,205,669
Balance at 30 June 2021	42,189,991	678,632	570,410	(40,742,986)	2,696,047
Balance at 1 July 2021	42,189,991	678,632	570,410	(40,742,986)	2,696,047
Comprehensive income					
Loss for the year	-	-	-	(1,647,094)	(1,647,094)
Total comprehensive income for the year	-	-	-	(1,647,094)	(1,647,094)
Transactions with owners, in their capacity as owners, and other transfers					
Issue of shares	1,367,000	-	-	-	1,367,000
Transaction costs	(82,020)	-	-	-	(82,020)
Total transactions with owners and other transfers	1,284,980	-	-	-	1,284,980
Balance at 30 June 2022	43,474,971	678,632	570,410	(42,390,080)	2,333,933

The accompanying notes form part of these financial statements.

GLOBAL PETROLEUM LIMITED
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 US\$	2021 US\$
Cash flows from operating activities			
Interest received		519	792
Payments to suppliers and employees		(1,551,823)	(1,368,821)
GST/VAT refunds received		43,602	26,833
Net cash (used in) operating activities	18a	(1,507,702)	(1,341,196)
Cash flows from investment activities			
Payments for exploration and business development expenditure		(340,900)	(725,054)
Reclassification of bank guarantee		(130,050)	-
Net cash (used in) investing activities		(470,950)	(725,054)
Cash flows from financing activities			
Proceeds from issue of shares		1,367,000	3,191,040
Payments for capital raising costs		(82,020)	(222,161)
Net cash provided by financing activities		1,284,980	2,968,879
Net (decrease)/increase in cash held		(693,672)	902,629
Cash and cash equivalents at beginning of financial year		1,834,434	932,818
Effect of exchange rates on cash holdings in foreign currencies		(987)	(1,013)
Cash and cash equivalents at end of financial year	7	1,139,775	1,834,434

The accompanying notes form part of these financial statements.

GLOBAL PETROLEUM LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Global Petroleum Limited ("Global", the "Company") is a company domiciled in Australia. Global is a company limited by shares incorporated in Australia whose shares are publicly traded on the AIM market of the London Stock Exchange ("AIM"). The consolidated annual financial statements of the Company as at, and for the 12 months ended, 30 June 2022 comprise 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 2022 are available upon request from the Company's registered office at C/- DW Accounting & Advisory, Level 4, 91 William Street, Melbourne, Victoria, 3000, Australia or at www.globalpetroleum.com.au.

The separate financial statements of the parent entity, Global Petroleum Limited ("Parent"), have not been presented within this annual financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 24 October 2022 by the Board of Directors of the Company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Going Concern

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 Group has no source of operating revenue and settles its expenditure obligations from existing cash resources. It generated a loss of US\$1,647,094 (2021: loss of US\$3,927,794) and had net cash outflows from the operating activities of US\$1,507,702 (2021: net cash outflows of US\$1,341,196) for the year ended 30 June 2022. As of that date, the Group had net assets of US\$2,333,933 (2021: US\$2,696,047) and cash assets of US\$1,139,775 (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 (See note 15 - Issued Share Capital); 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. (See note 11 - Exploration Assets and note 16 – Future 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, and following a successful equity placing in the reporting period which raised gross proceeds of GBP1.0 million) (previous period - GBP2.4 million), in August 2022, Global announced a further successful placing of ordinary shares in the Company, raising gross proceeds of GBP0.8 million (See note 20 - Events After the Reporting Period). On this basis the Group's projections indicate that it will have sufficient liquidity to meet its expenditure related liabilities as they fall due in the next twelve months from the date of finalising these financial statements.

Accordingly, the Directors have a reasonable expectation that the Group has 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 the 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 to the amount and classification of liabilities, that might result should the Group be unable to continue as a going concern.

(b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Global Petroleum Limited and all of its subsidiaries being entities that the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 9.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries may be changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling Interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income. No non-controlling interests were recognised for the reporting period.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred at fair value;
- (ii) any non-controlling interest (determined under either fair value or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest,

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASB Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139: Financial Instruments: Recognition and Measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

(c) Corporation Tax

The corporation tax expense (income) for the year comprises current corporation tax expense (income) and deferred tax expense (income).

Current corporation tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred corporation tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Except for business combinations, no deferred corporation tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to corporation taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(f) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 Exploration for and Evaluation of Mineral Resources, which is the Australian equivalent of IFRS 6 - Exploration for and Evaluation of Mineral Resources.

Exploration and evaluation costs are capitalised as intangible assets and assessed for impairment where facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Exploration and evaluation costs are capitalised if the rights to tenure of the area of interest are current and either:

- (i) the expenditure relates to an exploration discovery where, at balance sheet date, activities have not yet reached a stage which permits an assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing; or
- (ii) it is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

Costs incurred before the Group has obtained the legal rights to explore an area are expensed.

Each potential or recognised area of interest is reviewed every six months to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support the continued carry forward of capitalised costs.

Where a determination is made that there is no further value to be extracted from the data licenses then any unamortised balance is written off.

Once management has determined the existence of economically recoverable reserves for an area of interest, deferred costs are tested for impairment and then classified from exploration and evaluation assets to oil and gas assets on the Consolidated Statement of Financial Position.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(g) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent Measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term; or
- it is part of a portfolio where there is an actual pattern of short-term profit taking.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

(h) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The company's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Company makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

(j) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which that entity operates. The financial statements are presented in United States dollars, which is the Company's functional currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

The Company

The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than United States dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(k) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less.

(n) Revenue and Other Income

Revenue Recognition

Interest income is recognised using the effective interest method.

(o) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST/VAT, except where the amount of GST/VAT incurred is not recoverable from the relevant taxation authority.

Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of GST/VAT recoverable from, or payable to, the relevant taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST/VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the relevant taxation authority are presented as operating cash flows included in receipts from customers or payments to suppliers.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(r) Critical Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following Notes:

- Note 11 - Exploration and Evaluation Assets
- Note 3 - Tax Expense

Note 2 Parent Information

The following information has been extracted from the books and records of the financial information of the parent entity has been prepared in accordance with Australian Accounting Standards.	2022	2021
Statement of Financial Position	US\$	US\$
Assets		
Current assets	1,361,954	1,949,993
Non-current assets	776,640	333,879
Total assets	<u>2,138,594</u>	<u>2,283,872</u>
Liabilities		
Current liabilities	322,900	243,965
Non-current liabilities	-	-
Total liabilities	<u>322,900</u>	<u>243,965</u>
Net assets	<u>1,815,694</u>	<u>2,039,907</u>
Equity		
Issued capital	43,474,971	42,189,991
Accumulated losses	(42,337,909)	(40,828,716)
Option reserve	678,632	678,632
Total equity	<u>1,815,694</u>	<u>2,039,907</u>
Statement of Profit or Loss and Other Comprehensive Income		
Loss for the year	(1,509,193)	(4,062,776)
Total comprehensive income/(loss)	<u>(1,509,193)</u>	<u>(4,062,776)</u>

As at 30 June 2022, the parent entity has no capital commitments (2021: Nil).

Note 3 Tax Expense

(a) The prima facie tax on profit from ordinary activities before corporation tax is reconciled to corporation tax as follows:

	Consolidated Group	
	2022	2021
	US\$	US\$
Prima facie tax payable on profit from ordinary activities before corporation tax at 19% (2021: 19%)		
- Consolidated Group	(312,948)	(746,281)
<i>Increase (decrease) in corporation tax expense due to:</i>		
Expenditure not allowable for corporation tax purposes	2,826	500,763
Deferred tax assets not recognised	310,122	245,518
Corporation tax attributable to entity	-	-

(b) Current tax payable

The Group has no current tax payable (2021: Nil).

On 1 April 2014, Global Petroleum Limited changed its tax domicile from Australia to the United Kingdom. However, it must be noted that under Australian tax law, Global Petroleum Limited remains an Australian tax resident. As a result, Global Petroleum Limited is a tax resident of both Australia and the United Kingdom. Under the terms of the Australia-United Kingdom Double Tax Treaty, Global Petroleum Limited will be a dual resident company deemed to be a resident in the UK for the purposes of allocating taxing rights.

Multilateral Instruments (MLI) came into force in January 2019 which impact the tie breaker rule previously used for dual resident entities. The MLI changes currently cover six of Australia's double tax treaties which includes the UK. The dual residents entitlement to any treaty benefits will be denied where the two competent authorities, the Australia Taxation Office and HM Revenue and Customs do not reach an agreement on a single jurisdiction of tax residency. On 13 October 2020, the Company received a decision from the Australian Taxation Office determining the Company is deemed to be a resident only in the UK.

(c) Deferred corporation tax

	2022	2021
	US\$	US\$
Deferred tax assets		
Tax losses available to offset future taxable profits	4,020,369	3,662,676
Tax benefit not brought to account	(4,020,369)	(3,662,676)
	-	-

The amount of UK tax losses carried forward is US\$14.72 million as at 30 June 2022 (2021: US\$13.34 million). A corresponding deferred tax asset, calculated using the rate of 19% (which has been enacted in the Finance Act 2021 effective from 1 April 2023), of US\$3.68 million (2021: US\$3.33 million) has not been recognised due to insufficient certainty regarding the availability of future profits against which the losses can be utilised.

In addition the Group has a pool of pre-trading revenue expenditure of US\$0.2 million (2021: US\$0.2 million) and a pool of pre-trading capital expenditure of c. US\$8.6 million (2021: US\$7.8 million) arising in the overseas subsidiaries for which no deferred tax asset has been recognised due to insufficient certainty regarding the availability of future profits against which the costs can be utilised.

Note 4 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2022.

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

	2022 US\$	2021 US\$
Short-term employee benefits	478,011	393,208
Post-employment benefits	24,135	19,070
Share-based payments	-	162,014
Total KMP compensation	502,146	574,292

Short-term employee benefits

- these amounts include fees and benefits paid to the Non-Executive Chairman and Non-Executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other KMP.

Post-employment benefits

- these amounts are the current year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Share-based payments

- these amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Remuneration Report.

Other key management personnel transactions

A number of Directors, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Company or its controlled entities in the reporting period.

During the year, the Company paid DW Accounting and Advisory Pty Ltd, a company controlled by Mr A Draffin US\$52,901 (2021: US\$46,671) for company secretarial services and accountancy fees and Northlands Advisory Services Limited, a company controlled by Mr J van der Welle, US\$22,384 in 2021 financial year for consulting services.

Note 5 Auditor's Remuneration

	2022 US\$	2021 US\$
Remuneration of the auditor for:		
- auditing or reviewing of the Group's financial statements	23,288	23,358
	23,288	23,358

Note 6 Earnings per Share

	2022 US\$	2021 US\$
(a) Reconciliation of earnings to profit or loss		
Loss used in calculating basic and diluted earnings per share	(1,647,094)	(3,927,794)
Weighted average number of ordinary shares used in calculating basic earnings per share	787,915,442	380,503,965
Effect of dilutive securities	-	-
Adjusted weighted average number of ordinary shares and potential ordinary shares used in calculating basic and diluted earnings per share	787,915,442	380,503,965
Basic and diluted (loss) per share	(0.21)	(0.21)

The above data reflects the income and share data used in the calculations of basic and diluted earnings per share.

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 7 Cash and Cash Equivalents

	2022 US\$	2021 US\$
Cash at bank and on hand	1,139,775	1,834,434
Short-term bank deposits	-	-
	<u>1,139,775</u>	<u>1,834,434</u>

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	1,139,775	1,834,434
Bank overdrafts	-	-
	<u>1,139,775</u>	<u>1,834,434</u>

Note 8 Trade and Other Receivables

	2022 US\$	2021 US\$
Other receivables		
- deposits	-	-
- GST & VAT receivable	37,020	80,622
Total current trade and other receivables	<u>37,020</u>	<u>80,622</u>

Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 8. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

On a geographic basis, the Group has significant credit risk exposures in United Kingdom and Australia given the substantial operations in those regions. The Group's exposure to credit risk for receivables at the end of the reporting period in those regions is as follows:

	2022 US\$	2021 US\$
Australia	5,271	11,030
United Kingdom	31,749	69,592
	<u>37,020</u>	<u>80,622</u>

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

	2022 US\$	2021 US\$
Financial Assets Measured at Amortised Cost	\$	\$
Trade and other receivables		
- Total current	37,020	80,622
- Total non-current	-	-
Total financials assets measured at amortised cost	<u>37,020</u>	<u>80,622</u>

Note 9 Interest 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 Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	Ownership interest held	
		2022 (%)	2021 (%)
Global Petroleum Exploration Limited	United Kingdom	100%	100%
Global Petroleum Namibia Limited	British Virgin Islands	100%	100%
Global Petroleum UK Limited ¹	United Kingdom	-	100%

¹ Global Petroleum UK Limited was dissolved effective September 2021.

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

(b) Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

Note 10 Property, Plant and Equipment

	2022 US\$	2021 US\$
Plant and Equipment		
Furniture and fittings		
At cost	33,535	33,535
Accumulated depreciation	(20,377)	(16,938)
	<u>13,158</u>	<u>16,597</u>
Total plant and equipment	<u>13,158</u>	<u>16,597</u>

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture and Fitting US\$	Total US\$
Consolidated Group:		
Balance at 1 July 2020	20,036	20,036
Depreciation expense	(3,439)	(3,439)
Balance at 30 June 2021	<u>16,597</u>	<u>16,597</u>
Depreciation expense	(3,439)	(3,439)
Balance at 30 June 2022	<u>13,158</u>	<u>13,158</u>

Note 11 Exploration and Evaluation Assets

	2022 US\$	2021 US\$
Balance at beginning of year	972,467	2,673,754
Expenditure capitalised during the year	319,132	708,985
Expenditure written off during the year	-	(2,410,272)
Balance at end of year	1,291,599	972,467

At 30 June 2022, the balance of the Group's exploration and evaluation assets relates solely to its Namibian licence PEL0094.

During the year, the Group did not incur any exploration and evaluation expenditure that did not meet the criteria for recognition as exploration assets under the Group's accounting policy (2021: Nil).

In addition, an amount of US\$21,767 (2021: US\$16,070) was spent on business development, which relates to the Group's activities in assessing 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. In April 2022 the Company announced that the Namibian authorities had granted a one year extension to the Initial Exploration Period, from September 2022 to September 2023.

Exploration commitments on the Company's exploration tenements are detailed in Note 16.

Note 12 Other Assets

	2022 US\$	2120 US\$
Current		
Prepayment	55,109	39,384
Bank guarantee	130,050	-
	185,159	39,384

Note 13 Trade and Other Payable

	2022 US\$	2021 US\$
Current Unsecured liabilities		
Trade payables	16,935	35,161
Sundry payables and accrued expenses	95,113	48,838
	112,048	83,999
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
- Total current	112,048	83,999
- Total non-current	-	-
Financial liabilities as trade and other payables	112,048	83,999

Note 14 Provisions

	2022 US\$	2021 US\$
Current Employee benefits		
Opening balance at 1 July	163,458	166,309
Movement in provisions	57,272	(2,851)
Balance at 30 June	220,730	163,458

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

Liabilities for wages, salaries and remuneration, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Employee benefits payable later than one year are measured at the present value of the estimated future cash flows to be made for those benefits.

Note 15 Issued Capital

	2022 US\$	2021 US\$
811,541,816 (2021: 611,541,816) fully paid ordinary shares	43,474,971	42,189,991
	43,474,971	42,189,991

At 30 June 2022, the Group has authorised share capital amounting to 811,541,816 fully paid ordinary shares. The shares have no par value.

	2022		2021	
	No.	US\$	No.	US\$
(a) Ordinary Shares				
At the beginning of the reporting period	611,541,816	42,189,991	202,652,927	39,221,112
Shares issued during the year	200,000,000	1,367,000	408,888,889	3,191,040
Less: Transaction costs	-	(82,020)	-	(222,161)
At the end of the reporting period	811,541,816	43,474,971	611,541,816	42,189,991

	2022		2021	
	Number of options	Weighted average exercise price US\$	Number of options	Weighted average exercise price US\$
At the beginning of the reporting period	27,100,000	0.0380	8,100,000	0.0380
Options issued during the year	-	-	19,000,000	0.0143
At the end of the reporting period	27,100,000	0.0214	27,100,000	0.0214

	2022		2021	
	Number of warrants	Weighted average exercise price GBP	Number of warrants	Weighted average exercise price GBP
At the beginning of the reporting period	297,777,778	0.012	-	-
Warrants issued during the year	100,000,000	0.010	297,777,778	0.012
At the end of the reporting period	397,777,778	0.011	297,777,778	0.012

(d) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. The Company conducted one equity fund-raising during the reporting period and one after the year-end. (See Note 1(a) - Going Concern and Note 20 - Events After the Reporting Period)

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements.

(e) **Dividends**

No dividends have been paid or declared during the reporting year (2021: Nil).

(f) **Capital Raise**

In August 2022, the Company completed a capital raise where an additional 228,571,428 ordinary shares were issued bringing the total ordinary shares on issue to 1,040,113,244 as at the date of this report.

Note 16 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. In April 2022 the Company announced that the Namibian authorities had granted a one-year extension to the Initial Exploration Period, from September 2022 to September 2023.

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 17 Operating Segments

General Information

Identification of reportable segments

The Group operates in the oil and gas exploration, development and production segments as described below: The Group currently holds a prospective oil and gas exploration interest offshore Namibia.

Basis of accounting for purposes of reporting by operating segments

(a) **Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

(b) **Intersegment transactions**

An internally determined transfer price is set for all intersegment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segment's overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Intersegment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

(c) **Segment assets**

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(d) **Segment liabilities**

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(e) **Unallocated items**

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Derivatives
- Net gains on disposal of available-for-sale investments
- Impairment of assets and other non-recurring items of revenue or expense
- Corporation tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Other financial liabilities
- Intangible assets
- Discontinued operations
- Retirement benefit obligations

(f) **Segment information**

(i) Segment performance	Africa		Consolidated	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
Interest income	-	-	519	792
Net foreign exchange gain/(loss)	-	-	(178,445)	78,814
Corporate and administration costs	-	-	(1,469,168)	(1,597,128)
Exploration written off	-	(2,410,272)	-	(2,410,272)
Loss before corporation tax	-	(2,410,272)	(1,647,094)	(3,927,794)
Corporation tax (expense)/benefit for continuing operations	-	-	-	-
Loss for the year	-	(2,410,272)	(1,647,094)	(3,927,794)
(ii) Segment assets and liabilities	Africa		Consolidated	
Segment assets	2022 US\$	2021 US\$	2022 US\$	2021 US\$
Assets	1,291,599	972,467	1,291,599	972,467
Total segment assets	1,291,599	972,467	1,291,599	972,467
Unallocated assets	-	-	1,375,112	1,971,037
Consolidated assets	1,291,599	972,467	2,666,711	2,943,504
Segment liabilities	Africa		Consolidated	
Liabilities	9,877	3,500	9,877	3,500
Total segment liabilities	9,877	3,500	9,877	3,500
Unallocated liabilities	-	-	322,901	243,957
Consolidated liabilities	9,877	3,500	332,778	247,457
Acquisition of non-current assets, including capitalised exploration assets	319,132	708,985	319,132	708,985

Note 18 Cash Flow Information

	2022 US\$	2021 US\$
(a) Reconciliation of cash flows from operating activities with profit after		
Loss after corporation tax	(1,647,094)	(3,927,794)
Adjustments for non-cash items:		
Depreciation	3,439	3,439
Unrealised net foreign exchange (gain)/loss	193,397	(35,844)
Share based payments	-	236,790
Exploration written off	-	2,410,272
<i>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:</i>		
Decrease in receivables and prepayments	27,877	15,066
(Increase) in payables	(28,049)	(40,274)
(Increase) in provisions	(57,272)	(2,851)
Net cash (used in) operating activities	(1,507,702)	(1,341,196)

Note 19 Share-based Payments

The aggregate share-based payments for the year ended 30 June 2022 are set out below:

	30 June 2022		30 June 2021	
	Number	Weighted average exercise price US\$	Number	Weighted average exercise price US\$
Options outstanding as at 1 July	27,100,000	0.0214	8,100,000	0.0380
Granted	-	-	19,000,000	0.0143
Options outstanding as at 30 June	27,100,000	0.0214	27,100,000	0.0214

The following share-based payment arrangements were in existence during the current reporting period:

	Number	Grant Date	Expiry Date	Exercise Price	Fair value at grant date	Vesting Period
(i) Option granted	8,100,000	14 November 2017	13 November 2022	US\$0.0190	441,842	N/A
(ii) Options granted	19,000,000	7 January 2021	21 January 2026	US\$0.0143	236,790	N/A

Options were valued using the Black-Scholes model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate of the effects of non-transferability of exercise restrictions. Expected volatility is based on the historical share price volatility of the Company's ordinary shares over the reporting period.

	Number	Share price at grant date US\$	Exercise Price US\$	Expected volatility	Option life	Risk-free interest rate
	8,100,000	0.024	0.0190	85%	5 years	2.24%
	19,000,000	0.013	0.0143	160%	5 years	1.49%

Note 20 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

On 31 August 2022, the Company announced that it had successfully raised £800,000 in aggregate before costs, through the placing of 228,571,438 Ordinary Shares at a placing price of 0.35 pence per share.

As a further component of the placing, 114,285,714 Warrants were also issued at an exercise price of 0.70 pence per share for a period of 2 years (one Warrant for every two new Ordinary Shares). In the event the Warrants are exercised in due course in full, associated proceeds will be £800,000 with the result that the Company will have raised gross proceeds of £1,600,000 at a weighted average price of 0.47 pence per share.

Note 21 Related Parties**Related Parties****(a) Ultimate parent**

Global Petroleum Limited is the ultimate Parent Entity of the Group.

(b) Key Management Personnel:

The key management personnel of the Group during or since the end of the financial year were as follows:

Directors

Mr John van der Welle	Non-Executive Chairman
Mr Peter Hill	Managing Director and Chief Executive Officer
Mr Andrew Draffin	Non-Executive Director and Company Secretary
Mr Garrick Higgins	Non-Executive Director
Mr Peter Taylor (resigned 31 August 2021)	Non-Executive Director

Note 22 Financial Risk Management

The Group's principal financial instruments comprise trade and other receivables, trade and other payables, cash and term deposits. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Given the nature and size of the business, no formal risk management committees have been established, however responsibility for control and risk management is delegated to the appropriate level of management with the Chairman, CEO and Company Secretary (or their equivalent) having ultimate responsibility to the Board for the risk management and control framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Arrangements put in place by the Board to monitor risk management include regular reporting to the Board in respect of the operations and financial position of the Group. The Board also reviews risks that relate to operations and financial instruments as required, at least every six months.

Given the uncertainty as to the timing and amount of cash inflows and outflows, the Group has not implemented any additional strategies to mitigate the financial risks and no hedging has been put in place. As the Group's operations change, the Directors will review this policy periodically going forward.

The totals for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 US\$	2021 US\$
Financial Assets			
Financial assets at amortised cost			
- cash and cash equivalents	7	1,139,775	1,834,434
- trade and other receivables	8	37,020	80,622
- bank guarantee	12	130,050	-
Total financial assets		1,306,845	1,915,056
Financial Liabilities			
Financial liabilities at amortised cost			
- trade and other payables	13	112,048	83,999
Total financial liabilities		112,048	83,999

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Group with exception of cash on deposit as described below.

Trade and other receivables comprise accrued interest, GST, VAT and other tax refunds due. Where possible, the Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At 30 June 2022, none (2021: none) of the Group's receivables are past due. No impairment losses have been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

With respect to credit risk from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

b. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will have sufficient liquidity to meet its liabilities when due. As at 30 June 2022, the Group has sufficient liquid assets to meet its financial obligations.

The table below reflects an undiscounted contractual maturity analysis for financial assets and financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial Liability and Financial Asset Maturity Analysis

Consolidated Group	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Financial liabilities due for payment								
Trade and other payables	112,048	83,999	-	-	-	-	112,048	83,999
Total expected	112,048	83,999	-	-	-	-	112,048	83,999
Consolidated Group	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Financial assets - cash flows realisable								
Cash and cash equivalents	1,139,775	1,834,434	-	-	-	-	1,139,775	1,834,434
Trade, term and loan receivables	37,020	80,622	-	-	-	-	37,020	80,622
Bank guarantee	130,050	-	-	-	-	-	130,050	-
Total anticipated inflows	1,306,845	1,915,056	-	-	-	-	1,306,845	1,915,056
Net (outflow) / inflow on financial instruments	1,194,797	1,831,057	-	-	-	-	1,194,797	1,831,057

c. Market Risk

i. Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash at bank and term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables, are non-interest bearing.

Interest rate sensitivity

A sensitivity of 50 basis points ("bp") increase or decrease to the existing floating rate has been selected as this is considered reasonable given the current level of both short term and long term interest rates.

A change of 50 basis points in interest rate at the reporting date would have increased (decreased) profit or loss and equity by the amount shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

	Profit or Loss	
	50bp Increase	50bp Decrease
	US\$	US\$
2022		
Cash and cash equivalents	6,349	6,349
2021		
Cash and cash equivalents	9,172	9,172

ii. **Foreign currency risk**

The Company and its subsidiaries in the Group have a functional currency of the US Dollar. The Group is exposed to foreign currency risk from transactional currency exposure. Such exposure arises from transactions denominated in currencies other than the functional currency of the entities in the Group.

With instruments being held by overseas operations, fluctuations in the US Dollar and UK Pound Sterling may impact on the Group's financial results unless those exposures are appropriately hedged.

The Group currently does not engage in any hedging or derivative transactions to manage foreign currency risk.

Sensitivity analysis for currency risk

A sensitivity of 10% has been selected as this is considered reasonable given historic and potential future changes in foreign currency rates. This sensitivity analysis is prepared as at the balance sheet date.

	Profit US\$	Equity US\$
Year ended 30 June 2022		
+/- 10% in AU\$/US\$ and GBP/US\$	102,021	102,021
Year ended 30 June 2021		
+/- 10% in AU\$/US\$ and GBP/US\$	159,520	159,520

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

Consolidated Group	Note	2022		2021	
		Carrying Amount US\$	Fair Value US\$	Carrying Amount US\$	Fair Value US\$
Financial assets					
Financial assets at amortised cost:					
Cash and cash equivalents	7	1,139,775	1,139,775	1,834,434	1,834,434
Trade and other receivables	8	37,020	37,020	80,622	80,622
Bank Guarantee	12	130,050	130,050	-	-
Total financial assets		1,306,845	1,306,845	1,915,056	1,915,056
Financial liabilities at amortised cost					
Trade and other payables	13	112,048	112,048	83,999	83,999
Total financial liabilities		112,048	112,048	83,999	83,999

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

(ii) Term receivables reprice to market interest rates every three months, ensuring carrying amounts approximate fair value.

Note 23 Reserves**a. Foreign currency translation reserve**

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the Parent Entity. As a result of the change in functional currency of the Company and several of its subsidiaries on 1 July 2014, no further foreign currency translation differences were recognised as all entities in the Group have a US Dollar functional currency.

b. Option reserve

The option reserve comprises the cumulative grant date fair value of options issued to Directors, other personnel and consultants over the vesting period.

i. Analysis of items of other comprehensive income by each class of reserve

	2022 US\$	2021 US\$
Foreign currency translation reserve		
Opening balance as at 1 July	570,410	570,410
Movement in foreign currency translation reserve	-	-
Closing balance as at 30 June	570,410	570,410
Option reserve		
Opening balance as at 1 July	678,632	964,895
Movement in option reserve	-	(286,263)
Closing balance as at 30 June	678,632	678,632
Total reserves	1,249,042	1,249,042

Note 24 Interests in Joint Operations

The Group holds interest in various joint ventures, whose principal activities are in petroleum exploration and production. Refer to Note 11 - Exploration and Evaluation Assets.

Costs incurred attributable to joint operations have been capitalised based on accounting policies in Note 1(f) - Exploration and Evaluation Expenditure.

Included in the assets and liabilities of the Group are the following assets and liabilities relating to interests in joint ventures:

	2022 US\$	2021 US\$
Current assets		
Trade and other receivables	-	4,447
Total current assets	-	4,447
Non-current assets		
Exploration and evaluation assets	1,291,599	972,467
Total non-current assets	1,291,599	972,467
Total assets	1,291,599	976,914
Current liabilities		
Trade and other payables	9,877	3,500
Total current liabilities	9,877	3,500
Total liabilities	9,877	3,500
Net assets	1,281,722	973,414

The Parent Entity does not guarantee to pay the deficiency of its controlled entities in the event of a winding up of any controlled entity.

In accordance with normal industry practice, the Group has entered into joint ventures with other parties for the purpose of exploring and developing petroleum interests. If a party to a joint venture defaults and does not contribute its share of joint venture obligations, then the other joint venture participants may be liable to meet those obligations. In this event, the interest in the permit held by the defaulting party may be redistributed to the remaining joint venture participants.