



GLOBAL
PETROLEUM
LIMITED
ABN 68 064 120 896

ANNUAL FINANCIAL REPORT

30 JUNE 2015

DIRECTORS' REPORT
For the year ended 30 JUNE 2015



The Directors of Global Petroleum Limited present their report together with the consolidated financial statements of the Group comprising of Global Petroleum Limited ("the Company" or "Global" or "Parent") and the entities it controlled at the end of, or during, the year ended 30 June 2015 ("Consolidated Entity" or "Group").

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DIRECTORS' REPORT For the year ended 30 JUNE 2015



25 September 2015

Dear Shareholders

We are pleased to present to you the Global 2015 Annual Report.

During the period covered by this Report macro-economic factors have largely formed the context for both operational and commercial activity in the upstream energy business. The oil price started its rapid decline in September 2014, with the Brent price averaging \$60 per barrel in the first half of 2015, a reduction of 45% compared to the same period in 2014. This fall, and its consequences for the sector, has impacted the Company's execution of its strategy, as further discussed below.

Regarding our interests in Namibia, we are most encouraged as a result of the technical work which we have carried out during the current twelve month extension of the Initial Exploration Period of Petroleum Exploration Licence 29. The further interpretation which we have carried out on the existing seismic data has confirmed in our view the likely presence of both reservoir and source within our blocks. We are currently discussing with the Namibian authorities possible terms for the continuation of the licence beyond the current extension period, which terminates in December 2015.

The Company's four exploration applications offshore Italy are progressing towards approval of the environmental impact assessment ("EIA") documentation, which was originally submitted in mid-2014. EIA approvals have recently been granted by the Italian authorities to other E&P companies with long-standing licence applications in the offshore Adriatic, and the Company regards this recent development as very encouraging for the progress of its own applications.

Regarding Juan de Nova, as the Company announced to the market earlier this year, the Board has taken the decision to withdraw from the application. The decision was taken in the light of the lack of progress in the two years since the extension application was made, the fact that there is no visibility as to when a formal decision might be forthcoming from the French authorities, and also Global's relative technical ranking of Juan de Nova compared to its other interests and opportunities.

Financial

During the year ended 30 June 2015, the Group recorded a loss after tax of US\$4,469,837 (2014: loss US\$13,527,822). These losses reflected impairment write-downs of US\$354,695 (2014: US\$10,128,690). Cash balances at 30 June 2015 amounted to US\$12,707,727 (2014: US\$16,808,591). The Group has no debt.

Strategy and Outlook

As announced last year, the Company re-assessed its strategy of looking for frontier exploration opportunities, and concluded that it would balance its existing higher risk/reward portfolio in Namibia and prioritise exploration in proven hydrocarbon provinces, especially onshore, and investment in discovered contingent resources.

With regard to the wide range of potential new opportunities which we have reviewed over the past 12 months, some common factors have emerged: many counterparties have little cash and very limited access to capital, and a lack of capital for E&P projects exists generally. The Company's cash position therefore puts us in an advantageous position compared to many peers, but in order to create value in potential deals it is necessary to have visibility as to the availability of funds to finance new projects following an acquisition.

Consistent with that strategy we have been involved in a number of detailed negotiations with counterparties holding appropriate assets. The structural issues with regard to finance mentioned above have proved to be a major hindrance in concluding transactions. Furthermore, even the most optimistic forecasts do not predict a return in the near-term to oil prices at the levels which prevailed in the first half of 2014. This being the case, it is apparent to us that potential acquisition counterparties are becoming increasingly realistic with regard to the terms at which they will be able to transact. However, we remain extremely selective regarding the quality of assets we would consider investing in, and the terms of such investment.

As announced earlier this year, the Company has commenced a programme to reduce corporate costs in response to the lower oil price environment and the time it has taken to find a value enhancing acquisition. The Directors are taking steps to implement a reduction in the cash element of their compensation, which the Company will propose to offset by means of non-cash arrangements.

In summary, your Board intends to persist with our strategy, and we remain confident that we will be able to grow the business with attractive new assets in due course.

We look forward to meeting Shareholders at the Company's Annual General Meeting in November 2015.

A handwritten signature in blue ink, appearing to read "John van der Welle".

John van der Welle
Non-Executive Chairman

A handwritten signature in blue ink, appearing to read "Peter G. Hill".

Peter G. Hill
Chief Executive Officer

1. OPERATING AND FINANCIAL REVIEW

Namibian Project

The Namibian Project consists of an 85% participating interest in Petroleum Exploration Licence Number 29 ("Licence") covering Offshore Blocks 1910B and 2010A in the Republic of Namibia. The Licence, issued on 3 December 2010, covers 11,730 square kilometers and is located in offshore Namibia in water depths ranging from 1,300 meters to 3,000 meters (Refer Figure 1).

The Initial Exploration Period of the Licence expired in December 2014, and Global fulfilled the corresponding work obligations some time ago. This involved re-interpretation of 2,000 kilometres of purchased seismic and commissioning a high resolution 2D seismic acquisition programme of some 2,000 kilometres over the acreage. The geological setting of Global's blocks is distinct from that targeted by the Welwitschia-1A well. Notwithstanding the relative proximity of the two, the great majority of the prospectivity in Global's acreage is mapped in older sediments. The deeper structures were not reached by the Welwitschia-1A well. Therefore, the significant potential of these deeper traps and reservoirs remains untested.

Given the positive results of the initial 2013/14 study the Exploration Period of the Licence was further extended by one year in return for an additional work programme, involving further modelling using both seismic and gravity data. The results of this combined seismic and gravity work is very encouraging with regard to the hydrocarbon potential in Global's offshore blocks. Notably the work has increased confidence in a syn-rift oil play in the outboard or deep water region offshore Namibia and the likely presence of both reservoir and source within our blocks. Combined with the existing prospect portfolio within the blocks, this has improved Global's views on the overall prospectivity of the acreage. The Company is currently discussing with the Namibian authorities possible terms for the continuation of the Licence beyond the current extension period, which terminates in December 2015.

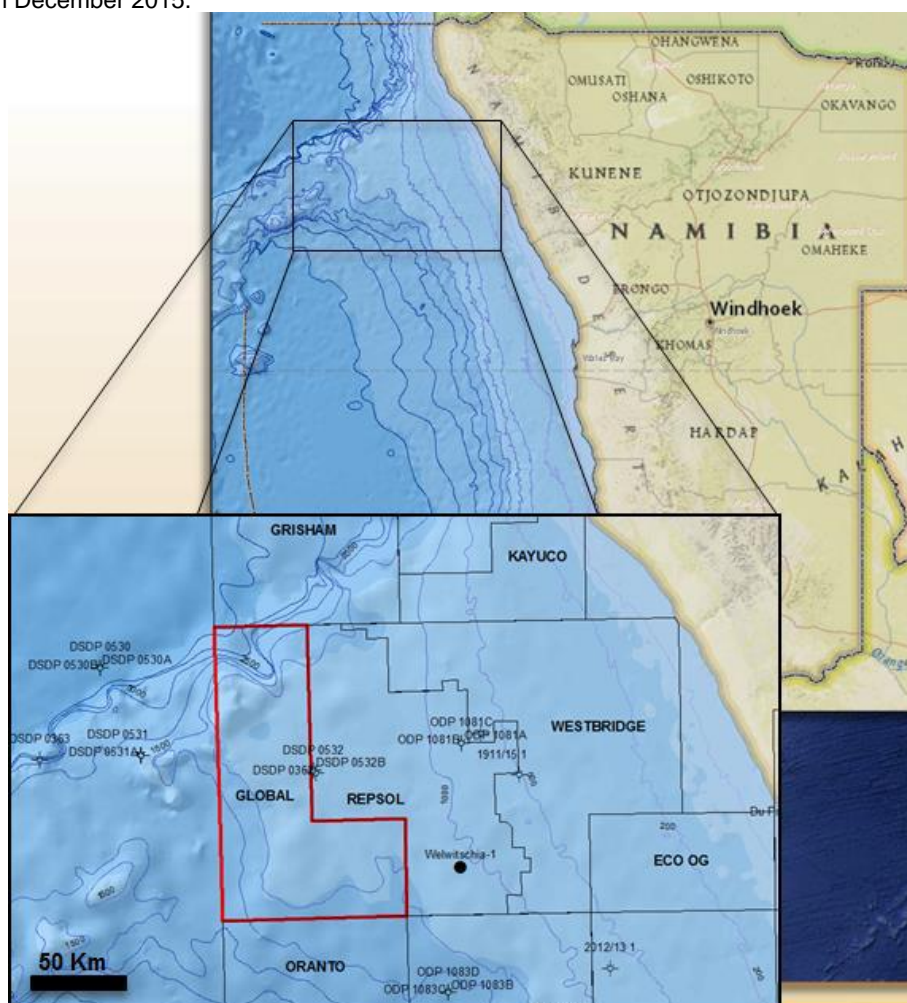


Figure 1: Outline of Global Blocks Offshore Namibia

1. OPERATING AND FINANCIAL REVIEW (continued)

Permit Applications in the Southern Adriatic, Offshore Italy

In August 2013, the Company submitted an application and proposed work programme and budget to the Italian Ministry of Economic Development for four exploration areas offshore Italy (the "Permit Applications"). In accordance with Italian offshore regulations, Global had to meet certain technical and financial requirements. The Permit Applications were then published on 30 September 2013 in the Official Bulletin allowing other competitive bids to be made over the subsequent three months. No such bids were received and the Company submitted the relevant documentation at the end of May 2014 in relation to environmental impact. The precise timetable for final award of the four Permits is dependent upon a satisfactory outcome to this process which is continuing, and upon subsequent formalities in accordance with Italian legislation. The Company has advertised its Permit Applications in national newspapers in Italy in accordance with these legislative formalities.

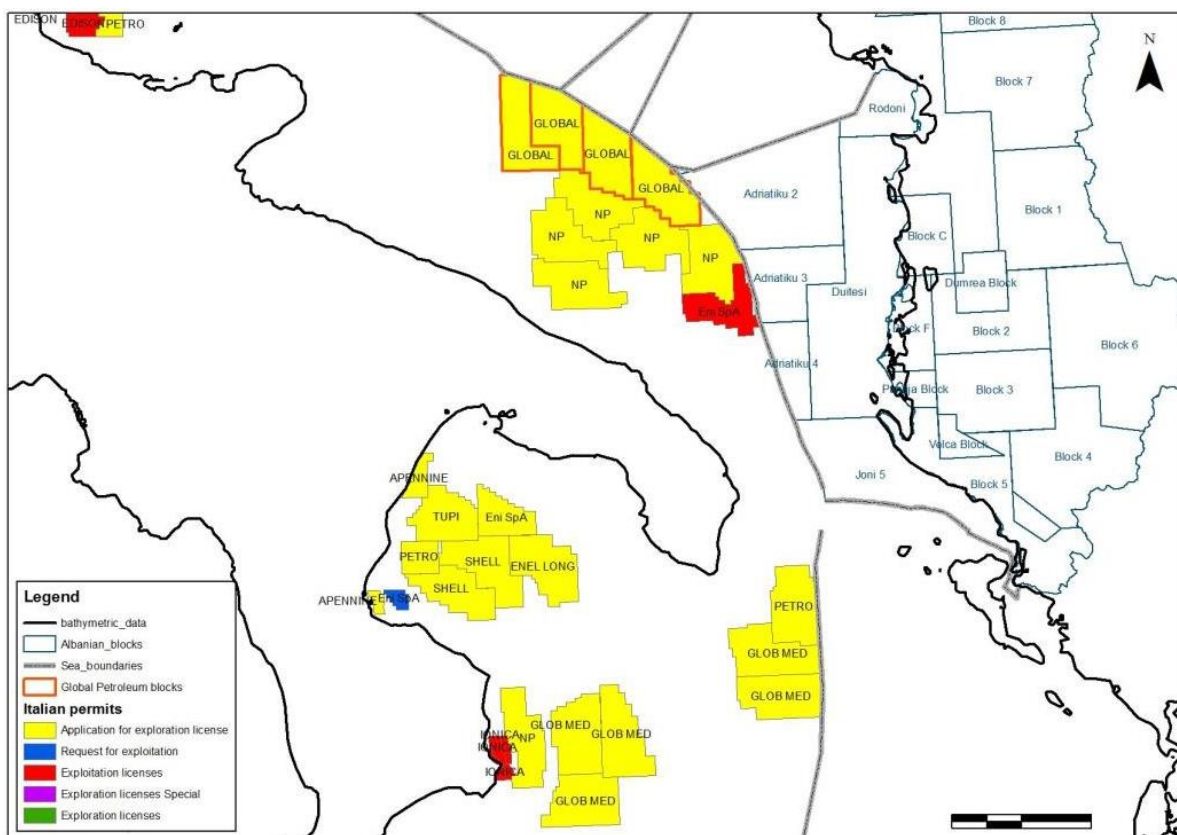


Figure 2: Map of southern Adriatic showing Italian permits

The southern Adriatic is currently undergoing a significant new phase of oil and gas exploration. There have been a number of recent applications in the Adriatic close to the Permit Applications. Adjacent to Italian waters, Montenegro held a licensing round in 2014, with Croatia following suit thereafter. Seismic acquisition companies have begun large, multi-client 2D acquisition programmes across the entire basin, from Italy to Croatia. In 2013 Shell and Petromanas announced the Shiprag discovery onshore Albania, which is thought to be linked to the same petroleum source rock and similar reservoir to some of those identified in the offshore Adriatic.

1. OPERATING AND FINANCIAL REVIEW (continued)

Juan de Nova

Jupiter Petroleum (Juan de Nova) Limited ("Jupiter", a 100% subsidiary of Global) previously held a 30% interest in the Juan de Nova Est Permit (the "Permit") which was issued by the French Government in December 2008. The Permit covers approximately 9,010 square kilometres and is situated to the east of the small island of Juan de Nova in the Mozambique Channel, immediately to the west of Madagascar.

The Company applied for an extension of the Permit into the second phase in August 2013. As the Company recently announced to the market, the Board has taken the decision to withdraw from the application. The decision was taken in the light of the lack of progress in the two years since the extension application was made, the fact that there is no visibility as to when a formal decision might be forthcoming from the French authorities, and also Global's relative technical ranking of Juan de Nova compared to its other interests and opportunities.

Business Development

Global remains in a strong financial position from which to fund work activity on its Namibian acreage, its Italian application interests (subject to award), and to implement a change of geographical focus through acquisition. With regard to the wide range of potential new opportunities which Global has reviewed over the past 12 months, some common factors have emerged: many counterparties have little cash and very limited access to capital, and a lack of capital for E&P projects exists generally. The Company's cash position therefore puts it in an advantageous position compared to many peers, but in order to create value in potential deals it is necessary to have visibility as to the availability of funds to finance new projects following an acquisition.

Consistent with that strategy the Company has been involved in a number of detailed negotiations with counterparties holding appropriate assets. The structural issues with regard to finance mentioned above have proved to be a major hindrance in concluding transactions. Furthermore, even the most optimistic forecasts do not predict a return in the near-term to oil prices at the levels which prevailed in the first half of 2014. This being the case, it is apparent that potential acquisition counterparties are becoming increasingly realistic with regard to the terms at which they will be able to transact. However, the Company remains extremely selective regarding the quality of assets it would consider investing in, and the terms of such investment.

Subsequent to the end of the reporting period, the Company has commenced a programme to reduce corporate costs in response to the lower oil price environment and the time it has taken to find a value enhancing acquisition. The Directors are taking steps to implement a reduction in the cash element of their compensation, which the Company will propose to offset by means of non-cash arrangements.

Results of operations

	2015 US\$	2014 US\$ Restated
Loss from continuing operations before tax	(4,469,837)	(13,524,300)
Income tax benefit (expense)	-	(3,522)
Net profit (loss)	(4,469,837)	(13,527,822)

The results of the Consolidated Entity include revenue from interest income of US\$72,880 (2014: US\$372,844). The loss primarily reflects the US\$354,695 (2014: US\$10,128,690) impairment write-down of the Company's Juan de Nova Exploration assets.

Functional currency

The financial information in this annual report is presented in United States dollars (US\$).

With the Group's focus being on exploration in Africa and the Mediterranean, the Company's cash holdings and operational expenditures have become increasingly weighted in US\$. To reflect this change, and with effect from 1 July 2014, the presentational and functional currency of the Company and several entities in the Group was changed from Australian dollars ("AU\$")/Great British pounds ("GBP") to US\$. All comparative information have been restated to US\$ at the exchange rate applicable on 1 July 2014.

Review of financial condition

As at 30 June 2015, the Group had cash of US\$12,707,727 (2014: US\$16,608,591) and has no debt.

2. DIRECTORS

The names of Directors in office at any time during the financial year or since the end of the financial year are as follows:

Unless otherwise disclosed, Directors held their office from 1 July 2015 until the date of this report.

<p>Mr John van der Welle B.Sc. ACA Chairman</p>	<p>Mr van der Welle, is a chartered accountant with 30 years' experience in the oil and gas industry and is currently a Non-Executive Director of AIM listed exploration companies Hurricane Energy Plc and Lekoil Limited, both of which had IPO's on AIM in 2013-2014. Mr van der Welle has previously been a senior executive with, or director of, a number of UK listed upstream oil and gas companies – Enterprise Oil, Hardy Oil and Gas, Premier Oil, First Calgary Petroleums and Stratic Energy Corp. Mr van der Welle was also a Non-Executive Director of Madagascar Oil from its IPO on AIM in 2010 until December 2012.</p> <p>Mr van der Welle was appointed as Non-Executive Chairman on 10 February 2014.</p>
<p>Mr Peter Hill MA Law (Oxon) Managing Director Chief Executive Officer</p>	<p>Mr Hill has extensive experience in the energy sector as a senior executive with a significant track record worldwide in high-level M&A and business development roles, primarily in the oil industry. Most recently Mr Hill was the global head of Corporate M&A for Statoil ASA, where he was responsible for several large transactions, being a key member of the team responsible for Statoil's merger with Norsk Hydro Oil & Gas in December 2006, and leading the acquisition of EnCana's Gulf of Mexico deepwater assets in 2005. Prior to agreeing to join Global, Mr Hill was responsible for supervising execution of the IPO of Statoil's Energy & Retail division in the latter part of 2010.</p> <p>Previously Mr Hill set up the international business of Waterous & Co as Managing Director in the UK, and before that worked for Enterprise Oil Plc. for many years, latterly as Head of International New Ventures. Mr Hill started in the energy industry with Total Oil Marine and is a UK qualified solicitor, having commenced his career with Clifford Chance. He holds an MA in Law from Oxford University.</p> <p>Mr Hill was appointed as Managing Director and Chief Executive Officer of the Company on 1 September 2011. Mr Hill has not held any other directorships of publicly listed companies in the last three years.</p>
<p>Mr Peter Blakey B.Sc CEng Non-Executive Director Mr Peter Taylor B.Sc CEng Non-Executive Director</p>	<p>Mr Taylor was appointed Non-Executive Acting Chairman on 16th July 2013 and resigned as Non-Executive Acting Chairman on 10 February 2014.</p> <p>Mr Blakey and Mr Taylor are joint chairmen of TM Services Ltd, an international oil and gas consulting company. In 1991, they were founding members and directors of TM Oil Production Ltd, which became Dana Petroleum Plc. This company was subsequently purchased by KNOC in October 2010. They were also founding members and directors of Consort Resources Ltd, which has become a significant North Sea gas production company, and of Planet Oil which was merged with Hardman Resources in 1998.</p> <p>During the three year period to the end of the financial year, Mr Blakey and Mr Taylor both held a directorship in Tower Resources Plc (January 2006 – present).</p> <p>Mr Blakey and Mr Taylor were appointed Directors of the Company on 4 October 2001.</p>

2. DIRECTORS (continued)

<p>Mr Damien Cronin MAICD MQLS</p> <p>Independent Non-Executive Director and Company Secretary</p>	<p>Mr Cronin is a solicitor who has over 25 years' experience in the oil and gas and resources sectors and has held senior legal and commercial roles with Rio Tinto, Shell, Duke Energy and Incitec Pivot. He has previously served as Company Secretary to a number of listed public companies in the oil and gas sector including Sunshine Gas Limited, Blue Energy Limited and as secretary to the operating committee of a number of mining joint ventures, including that for the Sonoma Coal Mine.</p> <p>Mr Cronin was appointed Director and Company Secretary on 31 December 2011. Mr Cronin has not held any other directorships of publicly listed companies in the last three years.</p>
<p>Mr Peter Dighton LLB (QUT)</p> <p>Independent Non-Executive Director</p>	<p>Mr Dighton is a lawyer who specialises in upstream petroleum and LNG projects. He was previously a Non-Executive Director of Global from 2003-2008 and has also served on the board of the listed entities Falklands Oil and Gas Limited (Dec 2004 – Nov 2009) and Texon Petroleum Limited (May 2006 – Dec 2009). He was also a Director of OSD Pipelines Pty Ltd and Diversified Mining Services Limited and was the Australasian representative of the floating LNG developer Flex LNG Limited.</p> <p>Mr Dighton was appointed Director on 31 December 2011. Mr Dighton has not held any other directorships, other than those listed above, of publicly listed companies in the last three years.</p>

3. COMPANY SECRETARY

Mr Damien Cronin was appointed to the position of Company Secretary on 31 December 2011. Mr Cronin has been Company Secretary to a number of publicly listed companies in the mining and oil and gas sectors as well as secretary to the operating committee of a number of unincorporated mining joint ventures.

4. DIRECTORS' MEETINGS

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Board Meetings Number Eligible to Attend	Board Meetings Number Attended
Mr J van der Welle	6	6
Mr P Hill	6	6
Mr P Blakey	6	5
Mr D Cronin	6	6
Mr P Dighton	6	5
Mr P Taylor	6	6

The Company does not currently have separate committees of the Board, given the current size of the Board. Matters that would otherwise be within the charter of such committees are considered by the Board at its meetings.

5. DIRECTORS' INTERESTS

The following table sets out each Director's relevant interest in shares and options in shares of the Company as at the date of this report:

Interest in Securities at the Date of this Report		
Directors	Ordinary Shares ⁽¹⁾	Incentive Options ⁽²⁾
Mr J van der Welle	-	1,000,000
Mr P Hill	710,000	6,000,000
Mr P Blakey	40,979,426	-
Mr D Cronin	-	300,000
Mr P Dighton	40,000	300,000
Mr P Taylor	41,625,065	-

Notes

⁽¹⁾ Ordinary Shares means fully paid ordinary shares in the capital of the Company.

⁽²⁾ Incentive Options means an option over ordinary share exercisable at various amounts and dates – see below.

6. SHARE OPTIONS

On 27 November 2014, the Company cancelled and re-granted options to Mr Hill and Mr Dighton and Mr Cronin. It also issued new incentive options to Mr van der Welle. For details refer to Sections 13.2 and 13.3 of the Remuneration Report.

Since 30 June 2014, no shares have been issued as a result of the exercise of options.

7. PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year consisted of oil and gas exploration, development and production and there has been no change in the nature of those activities.

Objectives

The objectives of the Group's principal activities are the enhancement of shareholder value by the identification and commercialisation of oil and gas assets.

8. DIVIDENDS

No Dividends were paid during the financial year ended 30 June 2015 (2014: Nil).

9. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the reporting period, the Company announced that it has commenced a programme to reduce its corporate costs in response to the lower oil price environment and the time it has taken to find a value enhancing acquisition. As a result of its cost review, the Board is taking steps to implement a substantial reduction in corporate costs, including a reduction in the cash element of the compensation of the Board.

Additionally, subsequent to the reporting date, the non-remuneration conditions of Mr Hill's contract of employment have been amended to provide for a 12 month notice period to be given by both Mr Hill or the Company if either party does not wish to renew the contract of employment. This replaces a three month notice period and is a result of advice the Company has received that this better reflects current market standards.

A decision to withdraw from the Juan de Nova Est application was made by the Company in July 2015. The decision was taken in the light of the lack of progress in the two years since the extension application was made, the fact that there is no visibility as to when a formal decision might be forthcoming from the French authorities, and also Global's relative technical ranking of Juan de Nova compared to its other interests and opportunities. The Group has fully impaired the exploration asset as at 30 June 2015.

9. EVENTS SUBSEQUENT TO REPORTING DATE (continued)

As at the date of this report, there are no other matters or circumstances which have arisen since 30 June 2015 that have significantly affected or may significantly affect:

- (i) the operations, in financial years subsequent to 30 June 2015 of the Consolidated Entity;
- (ii) the results of those operations, in financial years subsequent to 30 June 2015 of the Consolidated Entity; or
- (iii) the state of affairs, in financial years subsequent to 30 June 2015 of the Consolidated Entity.

10. LIKELY DEVELOPMENTS

It is the Board's current intention that the Consolidated Entity will focus on maximising the value of its oil and gas exploration assets in Africa and continue to examine new opportunities in the oil and gas sector.

All of these activities are inherently risky and the Board is unable to provide certainty that any or all of these activities will be able to be achieved. In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Consolidated Entity and the expected results of these operations in subsequent financial years may prejudice the interests of the Group and accordingly, has not been disclosed.

11. INDEMNIFICATION INSURANCE OF OFFICERS

The Constitution of the Group requires the Group, to the extent permitted by law, to indemnify any person who is or has been a Director or officer of the Group or Group for any liability caused as such a Director or officer and any legal costs incurred by a Director or officer in defending an action for any liability caused as such a Director or officer. During or since the end of the financial year, no amounts have been paid by the Group or Group in relation to these indemnities. During the financial year, an insurance premium of US\$28,935 (2014: US\$14,452) was paid by the Group.

12. NON-AUDIT SERVICES

During the year KPMG, the Group's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written resolution of the Directors of the Company and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group of jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the group, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

Audit services: Audit and review of financial reports	2015 US\$	2014 US\$
Auditors of the Group – KPMG	59,058	73,913
Services other than statutory audit - KPMG		
Taxation services	2,306	15,065

13. REMUNERATION REPORT - AUDITED

13.1 Principles of compensation – audited

The Group's remuneration policy for its key management personnel (KMP) has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- (i) the Group is currently focused on undertaking exploration, appraisal and development activities;
- (ii) risks associated with developing oil and gas companies while exploring and developing projects; and
- (iii) measures other than profit which may be generated from asset sales, as the Group is currently undertaking new project acquisition, exploration and development activities, it does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

These principles were reflected in the grant of Options, approved by shareholders in 2012 and the grant, and the cancellation and re-grant of Options, approved by shareholders, in 2013 and 2014.

13.2 Directors and executive officers' remuneration – audited

Executive Director remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (short term incentive and long term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and aims to align executives' objectives with shareholder and business objectives.

Currently given the size and nature of the Group's operations, there is only one executive, Mr Peter Hill, who is also a Director.

(i) Fixed remuneration

Fixed remuneration consists of a base salary, as well as an employer contribution to a superannuation fund and other non-cash benefits. Non-cash benefits may include provision of motor vehicles and health care benefits.

The fixed remuneration is reviewed annually by the Board in the absence of a Remuneration and Nomination Committee. The process consists of a review of Company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices. However external advice has not been sought in 2015 (2014: none).

(ii) Performance based remuneration – short term incentive

The executive is entitled to an annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful completion of exploration activities (e.g. completion of exploration programmes within budgeted timeframes and costs), development activities (e.g. completion of feasibility studies), corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. project acquisitions and capital raisings). The Board is continuously in the process of determining specific KPI's.

During the 2015 financial year, no cash bonuses were paid or are payable (2014: nil).

13. REMUNERATION REPORT - AUDITED (continued)

13.2 Directors and executive officers' remuneration – audited (continued)

Executive Director remuneration (continued)

(iii) Performance based remuneration – long term incentive

The Board may issue incentive options to the executive as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executive and to provide an incentive linked to the performance of the Group. The Board has a policy of granting incentive options to the executive with exercise prices at and/or above market share price (at the time of agreement). As such, incentive options granted to the executive will generally only be of benefit if the executive performs to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted. For details of options granted to Mr Peter Hill during the year refer to Section 13.3 of this report.

Other than service-based vesting conditions, there are not any additional performance criteria on the incentive options granted to executives, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered the performance of the executive and the performance and value of the Group are closely related.

Non-Executive Director remuneration

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Group, incentive options have been used to attract and retain certain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required however no external advice has been sourced in 2015 (2014: none).

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors may in limited circumstances receive unlisted incentive options in order to secure their initial or ongoing services.

Non-Executive Director fees for Messrs Blakey and Taylor were set at AU\$45,000 per annum (US\$36,789). Mr van der Welle's fees were set at £32,500 (US\$56,093) per annum, Messrs Dighton and Cronin's fees were set at AU\$30,000 (US\$24,643) each per annum. These fees relate to responsibilities as a Director only. Refer to Sections 13.2 and 13.3 of this report for further details. Non-Executive Directors can rescind their position at any time by submitting their resignation in writing. A Non-Executive Director's appointment can be terminated at any time by a shareholder vote. The Non-Executive Directors are not entitled to any pay-outs on termination.

The Board has no retirement scheme in place. Directors who retire from the Board of Directors are not entitled to any retirement payment. The Group will make contributions to superannuation funds where required, in 2015 to Messrs Dighton and Cronin (US\$2,209 each) (2014: Messrs Hill, Dighton and Cronin – US\$49,959, US\$2,613, US\$2,613 respectively).

Relationship between remuneration of KMP and shareholder wealth

During the Group's project identification, acquisition, exploration and development phases of its business, the Board anticipates that the Group will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly the Group does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Group during the current and previous four financial years.

The Board did not determine the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and the previous four financial years. However, as noted above, a number of KMP have received or are entitled to receive incentive options which generally will only be of value to the individual should the value of the Company's shares increase sufficiently to warrant exercising the incentive options.

13. REMUNERATION REPORT - AUDITED (continued)

13.2 Directors and executive officers' remuneration – audited (continued)

Relationship between remuneration of KMP and earnings

As discussed above, the Group is currently undertaking new project acquisition, exploration and development activities, and does not expect to be undertaking profitable operations (other than by way of material asset sales), until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly the Board does not consider earnings during the current and previous four financial years when determining the nature and amount of remuneration of KMP.

Employment contracts with key management personnel

Mr P Hill, Managing Director and Chief Executive Officer, has a contract of employment with Global Petroleum Limited dated 1 August 2011 (amended, with effect, 1 August 2014; see Section 9), with a commencement date of 1 September 2011. The contract specifies the duties and obligations to be fulfilled by the Managing Director and Chief Executive Officer. The contract has a rolling annual term and may be terminated by either party by giving three months' notice. Upon notice he will be entitled to his salary and related benefits up to the end of the annual period but the amounts are not to exceed three months. He is not entitled to any additional termination payout. Mr Hill received a salary of GBP250,000 (US\$452,443) (2014: GBP220,000 (US\$413,833)) plus health insurance US\$12,715 (2014: GBP30,000 (US\$49,959) superannuation) during 2015.

Mr Hill has also been granted options as part of his remuneration. See Section 13.3.

Since the end of the reporting period the Board has resolved to reduce Mr Hill's remuneration and the director's fees of the Company's Non-Executive Directors in response to the current low oil price and other difficult economic conditions currently being experienced. Subsequent to year end the non-remuneration conditions of Mr Hill's contract of employment have been amended to provide for a 12 month notice period to be given by both Mr Hill or the Company if either party does not wish to renew the contract of employment. Refer to Section 9.

DIRECTORS' REPORT
For the year ended 30 JUNE 2015



13. REMUNERATION REPORT - AUDITED (continued)

13.2 Directors and executive officers' remuneration – audited (continued)

Details of the nature and amount of each element of the remuneration of each Director and key management personnel of the Consolidated Entity for the financial year are as follows:

Director		Short-Term ⁽¹⁾		Post-Employment	Share-based Payments	Total	Proportion of Remuneration Performance Related	
		Salary	Non-monetary benefits	Director's Fees	Superannuation and other benefits			Options ⁽²⁾
		US\$	US\$	US\$	US\$	US\$	%	
Executive officers								
Mr P Hill	2015	452,443	-	-	12,715	110,745	575,903	
	2014	413,833	-	-	49,959	110,780	574,573	
Sub-total executive officers remuneration		2015	452,443	-	-	12,715	110,745	575,903
		2014	413,833	-	-	49,959	110,780	574,573
Non-Executive Directors								
Mr van der Welle	2015	-	-	56,093	-	20,064	76,157	
	2014	-	-	23,862	-	-	23,862	
Dr R Arnott ⁽⁴⁾	2015	-	-	-	-	-	-	
	2014	-	-	20,121	-	(14,885)	5,263	
Mr P Blakey	2015	-	-	36,789	-	-	36,789	
	2014	-	-	42,370	-	-	42,370	
Mr D Cronin ⁽³⁾	2015	-	-	24,643	2,209	4,175	31,027	
	2014	-	-	28,247	2,613	9,604	40,464	
Mr P Dighton	2015	-	-	24,644	2,208	4,175	31,027	
	2014	-	-	28,247	2,613	9,321	40,181	
Mr P Taylor	2015	-	-	36,789	-	-	36,789	
	2014	-	-	42,370	-	-	42,370	
Sub-total Non-Executive Directors' remuneration		2015	-	178,958	4,417	28,414	211,789	
		2014	-	185,217	5,226	4040	194,510	
Total directors' and executive officers' remuneration		2015	452,443	-	178,958	17,132	139,159	787,692
		2014	413,833	-	185,217	55,185	114,820	769,083

13. REMUNERATION REPORT - AUDITED (continued)

13.2 Directors and executive officers' remuneration – audited (continued)

Notes in relation to the table of Directors' and executive officers' remuneration:

- (1) There was no short term cash bonus paid during the year.
- (2) The fair value of the options was determined using the Black Scholes option pricing model and the Binomial option pricing model.
- (3) Mr D Cronin was remunerated US\$38,634 (2014: US\$39,545) as Company Secretary, separate to his role as Director and thus not included in the table above.
- (4) Dr R Arnott resigned on 16 July 2013.

13.3 Equity instruments – audited

Options granted to Directors and Key Management Personnel – audited

Details of options granted to each Key Management Personnel of the Group during the financial year are as follows:

On 27 November 2014, the Company cancelled and re-granted 6,600,000 options to Messrs. Hill, Dighton and Cronin detailed below and approved by shareholders on 27 November 2014. These changes were accounted for as a modification of a share based payment (the vesting date was extended and the exercisable value was decreased) and, in accordance with AASB2, this resulted in an additional US\$119,095 expensed to equity based remuneration over the vesting period of the options.

Cancelled options

P Hill:

- i. 1,500,000 incentive options exercisable at AU\$0.25 each on or before 1 April 2017, vesting on 16 December 2013;
- ii. 1,750,000 incentive options exercisable at AU\$0.30 each on or before 1 October 2017, vesting on 16 December 2013;
- iii. 1,750,000 incentive options exercisable at AU\$0.35 each on or before 1 April 2018, vesting on 16 December 2013; and
- iv. 1,000,000 incentive options exercisable at AU\$0.45 each on or before 1 October 2018, vesting on 16 December 2013;

P Dighton and D Cronin:

300,000 incentive options (each) exercisable at AU\$0.25 each on or before 30 June 2019, vesting on 16 December 2013;

Re-granted options

P Hill:

- i. 3,000,000 incentive options exercisable at AU\$0.065 each on or before 23 December 2019, vesting on 27 November 2014
- ii. 3,000,000 incentive options exercisable at AU\$0.065 each on or before 23 December 2019, vesting on 23 June 2015

P Dighton and D Cronin:

300,000 incentive options (each) exercisable at AU\$0.065 each on or before 23 December 2019, vesting on 27 November 2014

The Company also issued 1,000,000 incentive options to Mr. J van der Welle exercisable at AU\$0.065 each on or before 23 December 2019, approved by shareholders on 23 December 2014. 500,000 options vested on the 27 November 2014 and the other 500,000 vested on 23 June 2015. These options have a fair value of US\$20,064. This fair value has been recognized as an expense over the vesting period of the options in accordance with accounting standards.

13. REMUNERATION REPORT - AUDITED (continued)

13.3 Equity instruments – audited (continued)

The fair value of the options was determined using the Black Scholes option pricing model or the Binomial options pricing model. The total expense arising from the equity based payments for the year ended 30 June 2015 was US\$139,159 (2014:US\$114,820). The expected volatility of the options was calculated using the Hoadley's volatility calculator for a 5 year period, using data extracted from Bloomberg. For the purpose of the valuations above the future estimated volatility level utilised was 60% (2014: 65%) in the pricing model.

	Year ended 30 June 2015	Year ended 30 June 2014
Fair value at grant date	AU\$0.025 – 0.037(US\$0.021 – 0.032)	AU\$0.019 – 0.037(US\$0.017 –0.033)
Share price	AU\$0.052 (US\$0.044)	AU\$0.09 (US\$0.081)
Exercise price	AU\$0.065 – 0.30 (US\$0.055 – 0.026)	AU\$0.25 - 0.45 (US\$0.224 – 0.403)
Expected volatility	60%	65%
Expected option life	0.25 – 4.56	3.36 – 5.61
Expected dividends	Nil	Nil
Risk-free interest rate (based on government bonds)	2.64%	3.06% - 3.48%

For all current options, once the vesting date has been reached there are no performance conditions attached to these options. No options were excised during the year or subsequent to year end.

13.4 Directors and Key Management Personnel transactions-audited

Loans to Directors

There have been no loans to any Director or Key Management Personnel or their related parties during the period.

Movement in Shareholdings

2015 Directors	Held at 1 July 2014	Acquisitions	Disposals	Held at 30 June 2015
Mr J van der Welle	-	-	-	-
Mr P Hill	710,000	-	-	710,000
Mr P Blakey ¹	40,979,426	-	-	40,979,426
Mr D Cronin	-	-	-	-
Mr P Dighton ²	40,000	-	-	40,000
Mr P Taylor ¹	41,625,065	-	-	41,625,065

Notes

⁽¹⁾ Figures for Messrs Blakey and Taylor include an indirect holding of 2,636,905 shares held by TM Services Limited, a company jointly controlled by Messrs Blakey and Taylor. Mr Taylor holds 1,556,000 shares through IPM Personal Pension Trustees Limited.

⁽²⁾ Figure for Mr Dighton includes shareholdings by related parties.

13.4 Directors and Key Management Personnel transactions-audited

Movement in options

2015 Directors	Held at 1 July 2014	Granted as compensation	Exercised	Other changes	Held at 30 June 2015
Mr J van der Welle	-	1,000,000	-	-	1,000,000
Mr P Hill	6,000,000	6,000,000	-	(6,000,000)*	6,000,000
Mr P Blakey	-	-	-	-	-
Mr D Cronin	300,000	300,000	-	(300,000)*	300,000
Mr P Dighton	300,000	300,000	-	(300,000)*	300,000
Mr P Taylor	-	-	-	-	-

*Cancelled options

Other 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 US\$75,816 (2014:US\$98,702) to TM Services Limited, a company controlled by Mr P Taylor and Mr P Blakey, for administrative and technical assistance, US\$27,396 (2014:US\$31,636) to Law Strategies Pty Ltd, a company controlled by Mr P Dighton, for the provision of a fully serviced Australian office to the Company. The Company also paid Law Strategies Pty Ltd US\$30,368 (2014:US\$3,295) for legal services, Damien Cronin Pty Ltd trading as Law Projects, a company controlled by Mr D Cronin, US\$38,634 (2014:US\$39,545) for company secretarial services and Northlands Advisory Services Limited, a company controlled by Mr J van der Welle, US\$52,247 (2014:US\$16,291) for consulting services. The Company also paid the following consultancy fees to the Directors: Mr P Blakey US\$25,420 (2014:US\$28,247) and Mr P Taylor US\$25,420 (2014:US\$28,247).

14. CORPORATE GOVERNANCE STATEMENTS

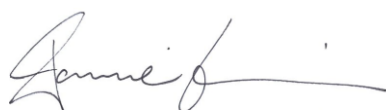
In accordance with changes to the ASX Listing Rules, the Company's Corporate Governance Statement is available on the Company's website at www.globalpetroleum.com.au.

15. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on Page 16, and forms part of the Directors' Report for the financial year ended 30 June 2015.

16. DIRECTORS' DECLARATION

This report is made in accordance with a resolution of the Directors made pursuant to Section 298(2) of the Corporations Act 2001.



DAMIEN CRONIN
DIRECTOR and COMPANY SECRETARY

25 September 2015

AUDITOR'S INDEPENDENCE DECLARATION

**CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**



	Notes	2015 US\$	2014 US\$ Restated*
Continuing operations			
Salaries and employee benefits expense		(549,896)	(814,825)
Administrative expenses		(1,441,982)	(1,317,790)
Other expenses	7	(1,155,434)	(1,193,367)
Impairment of exploration asset	9	(354,695)	(10,128,690)
Foreign exchange gain (loss)	10	(901,551)	(346,504)
Equity based remuneration		(139,159)	(95,968)
Results from operating activities before income tax		(4,542,717)	(13,897,144)
Finance income	6	72,880	372,844
Net finance income		72,880	372,844
Profit (loss) from continuing operations before tax		(4,469,837)	(13,524,300)
Income tax benefit (expense)	11	-	(3,522)
Profit (loss) from continuing operations after tax		(4,469,837)	(13,527,822)
Profit (loss) for the year		(4,469,837)	(13,527,822)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Transfer from foreign exchange reserve on dissolution of a controlled entity	15	270,384	(294,168)
Foreign currency translation differences – foreign operations	15	-	244,210
Other comprehensive income (loss) for the year, net of tax		270,384	(49,958)
Total comprehensive income (loss) for the year		(4,199,453)	(13,577,780)
Earnings per share			
Basic earnings (loss) per share (cents)	16	(2.241)	(6.782)
Diluted earnings (loss) per share (cents)	16	(2.241)	(6.782)

The Notes on pages 23 to 55 are an integral part of these consolidated financial statements.
*All comparative figures have been restated from AU\$ to US\$ as at 1 July 2014 – refer note 2

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
FOR THE YEAR ENDED 30 JUNE 2015



	Notes	2015 US\$	2014 US\$ Restated*
Assets			
Cash and cash equivalents	13	12,707,727	16,608,591
Trade and other receivables	12	150,386	159,411
Prepayments		117,711	96,586
Total current assets		12,975,824	16,864,588
Plant and equipment	8	15,354	19,192
Exploration assets	9	-	348,293
Total non-current assets		15,354	367,485
TOTAL ASSETS		12,991,178	17,232,073
Liabilities			
Trade and other payables	18	246,542	451,788
Current tax payable	11	-	3,522
Provisions	19	94,161	65,994
Total current liabilities		340,703	521,304
Total non-current liabilities		-	-
TOTAL LIABILITIES		340,703	521,304
NET ASSETS		12,650,475	16,710,769
Equity			
Share capital	15	39,145,581	39,145,581
Reserves	15	1,423,555	1,014,012
Accumulated losses	15	(27,918,661)	(23,448,824)
TOTAL EQUITY		12,650,475	16,710,769

The Notes on pages 23 to 55 are an integral part of these consolidated financial statements.
*All comparative figures have been restated from AU\$ to US\$ as at 1 July 2014 – refer note 2

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY**
FOR THE YEAR ENDED 30 JUNE 2015



	Attributable to owners of the Company				
	Share Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	US\$	US\$	US\$	US\$	US\$
2015					
Balance at 1 July 2014	39,145,581	697,569	316,443	(23,448,824)	16,710,769
Issue or modification of options	-	139,159	-	-	139,159
Total comprehensive (loss) for the year:					
Profit (loss) for the year	-	-	-	(4,469,837)	(4,469,837)
Other comprehensive profit (loss) for the year:					
Transfer from foreign exchange reserve on dissolution of a controlled entity	-	-	270,384	-	270,384
Foreign currency translation differences	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	270,384	(4,469,837)	(4,199,453)
Balance at 30 June 2015	39,145,581	836,728	586,827	(27,648,277)	12,650,475
2014 Restated*					
Balance at 1 July 2013	39,145,581	601,601	366,401	(9,921,002)	30,192,581
Issue of options	-	95,968	-	-	95,968
Total comprehensive profit (loss) for the year:					
Profit (loss) for the year	-	-	-	(13,527,822)	(13,527,822)
Other comprehensive profit (loss) for the year:					
Transfer of foreign exchange reserve on dissolution of a controlled entity	-	-	(294,168)	-	(294,168)
Foreign currency translation differences	-	-	244,210	-	244,210
Total comprehensive income (loss) for the year	-	-	(49,958)	(13,527,822)	(13,577,780)
Balance at 30 June 2014	39,145,581	697,569	316,443	(23,448,824)	16,710,769

Amounts are stated net of tax

The Notes on pages 23 to 55 are an integral part of these consolidated financial statements.
*All comparative figures have been restated from AU\$ to US\$ as at 1 July 2014 – refer note 2

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015



	Notes	2015 US\$	2014 US\$ Restated*
Cash flows from operating activities			
Cash paid to suppliers and employees		(2,902,272)	(2,836,479)
Interest received		72,880	466,416
GST refunds received		290,302	250,546
Tax (paid)/refund	11	(3,248)	163,009
Net cash from (used in) operating activities	14	(2,542,338)	(1,956,508)
Cash flows from investing activities			
Exploration and business development expenditure		(1,134,743)	(1,608,803)
Net cash from (used in) investing activities		(1,134,743)	(1,608,803)
Net decrease in cash and cash equivalents		(3,677,081)	(3,565,311)
Cash and cash equivalents at 1 July		16,608,591	20,821,170
Effects of exchange rate fluctuations on cash and cash equivalents		(223,783)	(647,268)
Cash and cash equivalents at 30 June	13	12,707,727	16,608,591

The Notes on pages 23 to 55 are an integral part of these consolidated financial statements.
*All comparative figures have been restated from AU\$ to US\$ as at 1 July 2014 – refer note 2

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1. REPORTING ENTITY

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 Australian Securities Exchange (“ASX”) and the London Stock Exchange (“AIM”). The consolidated financial statements of the Company as at, and for the twelve months ended, 30 June 2015 comprises 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 2015 are available upon request from the Company’s registered office at Level 5, Toowong Tower, 9 Sherwood Road Brisbane, QLD 4066, Australia or at www.globalpetroleum.com.au.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (“AASBs”) adopted by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The consolidated statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on the 25 September 2015.

2.2 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

2.3 Functional and presentation currency

The financial information in this report has been presented in United States dollars (“US\$”). With the Company’s and Group’s focus being on exploration in Africa and the Mediterranean, the Company’s and Group’s cash holdings and operational expenditures have become increasingly weighted in US\$. To reflect this change, and, with effect from 1 July 2014, the presentation and functional currency of the Company and several subsidiaries in the Group were changed from Australian dollars (“AU\$”)/Great British pounds (“GBP”) to US\$. This change has been applied prospectively from 1 July 2014. All comparative information has been translated at the spot exchange rate at 1 July 2014.

2.4 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs 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 9 – Exploration Assets
- Note 11 – Taxes
- Note 19 – Provisions

2. BASIS OF PREPARATION (continued)

2.5 New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations are relevant to current operations. They are available for early adoption but have not been applied by the Group in this financial report:

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* (effective 1 July 2015). This amendment completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.
- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* (effective 1 January 2016). This amendment amends AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* to provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* (effective 1 January 2016). This amendment amends a number of pronouncements as a result of the IASB's 2012-2014 annual improvements cycle. Key amendments include:
 - AASB 5 – Change in methods of disposal;
 - AASB 7 – Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements;
 - AASB 119 – Discount rate: regional market issue; and
 - AASB 134 – Disclosure of information “elsewhere in the interim financial report”.
- AASB 9 *Financial Instruments* (December 2014), AASB 2010-7 *Amendments to AAS arising from AASB 9 (December 2010)*, AASB 2014-1 *Amendments to AAS Part E – Financial Instruments* AASB 2014-7 and *Amendments to AAS arising from AASB 9 (December 2014)* (effective 1 January 2016). The new AASB 9 *Financial Instruments* contains changes to the definitions, classifications, measurements and presentation of financial instruments including a new expected credit loss model for calculating impairment.

Certain aspects of the standard may be early adopted but have not been as the changes therein are not expected to materially impact Global, apart from some minor classification and disclosure changes in the financial statements as such.

- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*. Amends AASB 101 *Presentation of Financial Statements* to provide clarification regarding the disclosure requirements in AASB 101. Includes narrow-focus amendments to address concerns about existing presentation and disclosure requirements and to ensure entities are able to use judgements when applying a Standard in determining what information to disclose in their financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Global Petroleum Limited (“Global” or “Company”) and its consolidated entities (“Consolidated Entity” or “Group”) for the year ended 30 June 2015. The accounting policies are stated to assist in a general understanding of the consolidated financial statements.

3.1 Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2015 and the results of all subsidiaries for the year then ended.

Subsidiaries are entities controlled by the Group. The Group 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. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Interest in joint operations

A joint operation exists when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group recognises the assets, liabilities, expenses and income in respect of its interest in the joint operation.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group’s previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree’s identifiable assets, liabilities and contingent liabilities are recognised at their fair value at the acquisition date, except that:

- (i) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- (ii) liabilities or equity instruments related to the replacement by the Group of an acquiree’s share based payment awards are measured in accordance with AASB 2 Share-based Payment; and
- (iii) assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

Loss of control

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group transactions and balances, and any unrealised income or expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

3.2 Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into 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 the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Foreign operations

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

- (i) assets and liabilities are translated into US\$ at year-end exchange rates prevailing at that reporting date;
- (ii) income and expenses are translated into US\$ at the date of transaction. For practical reasons, a rate that approximates the US\$ exchange rate at the date of the transaction is used, for example average US\$ exchange rate for the period; and

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the Consolidated Statement of Financial Position. These differences are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which the operation is disposed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments

The Group classifies its financial assets in the following category: loans and receivables. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date. The classification depends on the purpose for which the financial assets were acquired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently at amortised cost less impairment losses. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables and other financial assets in the Consolidated Statement of Financial Position.

3.4 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 licence acquisition costs are capitalised and assessed for impairment testing every 12 months or when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. All exploration and evaluation costs, including general permit activity, geological and geophysical costs and new venture activity costs are expensed as incurred except where:

- (i) the expenditure relates to an exploration discovery that, at balance date, has not been recognised as an area of interest, as assessment of the existence or otherwise of economically recoverable reserves is not yet complete; or
- (ii) an area of interest is recognised, and it is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

The costs of drilling exploration wells are initially capitalised pending the results of the well. Costs are expensed where the well does not result in the successful discovery of economically recoverable hydrocarbons and the recognition of an area of interest. Areas of interest are recognised at the field level. Subsequent to the recognition of an area of interest, all further costs relating to the area of interest are capitalised.

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 reclassified from exploration assets to oil and gas assets on the Consolidated Statement of Financial Position.

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

3.5 Oil and gas assets

Oil and gas assets are carried at cost and include acquisition costs, drilling, completion, and transferred exploration and evaluation expenditure.

Oil and gas assets are amortised using a units-of-production method, based on the ratio of actual production to remaining proved and probable reserves (2P) as estimated by independent petroleum engineers.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Non-Financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income if the carrying amount of an asset exceeds its recoverable amount.

3.7 Assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. The assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, intangible assets and property, plant and equipment and oil and gas assets are no longer amortised or depreciated.

3.8 Employee benefits and share based payments

Liabilities for wages and salaries, 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.

Share-based payments provided to Directors, employees, consultants and other advisors.

The fair value of options granted (determined using the Black-Scholes option or Binomial pricing model) is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which option holders become unconditionally entitled to the options.

Where share based payments vest only if non-market performance criteria are met, the value of the share based payment is recognised only when it is likely that such criteria may be met, and the expense recognised is adjusted to reflect the number of awards that ultimately vest.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

3.10 Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised using the balance sheet method for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised using the balance sheet method for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and the tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable futures.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expenses in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority in the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets in a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Segment reporting

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

3.12 Discontinued operations

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

3.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Consolidated Statement of Financial Position.

3.14 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less an allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. An estimate of doubtful debts is made and taken to a provision account when collection of the full amount is no longer probable. Bad debts are written off as incurred.

3.15 Fair value estimation

The fair value of financial instruments in the Group approximates their carrying amounts at the year-end. The Group's financial instruments consist mainly of trade and other receivables, trade and other payables, cash and term deposits.

3.16 Trade and other payables

Liabilities for trade creditors and other amounts are carried at amortised cost. The amounts are unsecured and are usually paid within 30 days.

3.17 Issued capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.18 Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

3.19 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Goods and services tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

- (i) where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

3.21 Property, plant and equipment

Items of property, plant and equipment are depreciated from the date that they are installed and ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property plant and equipment are as follows:

Fixtures and fittings	5 - 10 years
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4. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

Short-term receivables and payables are recorded at their carrying amount which is a reasonable approximation of fair value. The Group does not hold any financial instruments which are measured using level 2 or 3 in the fair value hierarchy.

4.1 Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest. Where this fair value is determined for disclosure purposes the market rate of interest is that at the reporting date. Where this fair value is determined when acquired in a business combination, the market rate of interest is that at the date of acquisition.

4.2 Share-based payment transactions

The fair value of options granted is measured using the Black-Scholes or the Binomial option pricing formula. Measurement inputs include the share price on the grant date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and risk free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. The fair value is measured at grant date and recognised over the period during which option holders become unconditionally entitled to the options.

5. OPERATING SEGMENTS

Information about reporting segments

The Group operates in the oil and gas exploration, development and production segments as described below:

On the 26 August 2011, Global acquired Jupiter Petroleum Limited, a company incorporated in the UK, which conducts all its activities in Southern Africa. It currently holds prospective oil and gas exploration interests in offshore Namibia. In July 2015, a decision was made by the Company to withdraw from the Juan de Nova Est application resulted in the exploration asset being fully impaired. No exploration expenditure was incurred in Juan de Nova during the year.

(a) Segment revenues and results

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

	Africa		Consolidated	
	2015 US\$	2014 US\$ Restated	2015 US\$	2014 US\$ Restated
Segment revenue				
External revenue	-	-	-	-
Total revenue	-	-	-	-
Segment results				
Segment result	(393,596)	-	(393,596)	-
Impairment of exploration asset	(354,695)	(10,128,690)	(354,695)	(10,128,690)
	(748,291)	(10,128,690)	(748,291)	(10,128,690)
Interest income			72,880	372,844
Net foreign exchange gain (loss)			(901,551)	(346,504)
Corporate and administration costs			(2,753,716)	(3,325,982)
Equity based remuneration			(139,159)	(95,968)
Profit (loss) before income tax			(4,469,837)	(13,524,300)
Income tax (expense) benefit for continuing operations			-	(3,522)
Profit (loss) for the year			(4,469,837)	(13,527,822)

(b) Segment assets and liabilities

	Africa		Consolidated	
	2015 US\$	2014 US\$ Restated	2015 US\$	2014 US\$ Restated
Segment assets				
Assets	-	348,294	-	348,294
Total segment assets	-	348,294	-	348,294
Unallocated assets			12,991,178	16,883,779
Consolidated assets			12,991,178	17,232,073
Segment liabilities				
Liabilities	-	-	-	-
Total segment liabilities	-	-	-	-
Unallocated liabilities			340,703	521,304
Consolidated liabilities			340,703	521,304
Acquisition of non-current assets, including capitalised exploration assets	-	97,125	-	97,125

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6. FINANCE INCOME

	2015 US\$	2014 US\$ Restated
Interest income	72,880	372,844

7. OTHER EXPENSES

	2015 US\$	2014 US\$ Restated
Consulting and professional fees	324,689	413,919
Business development	830,745	779,448
	1,155,434	1,193,367

8. PLANT AND EQUIPMENT

	2015 US\$	2014 US\$ Restated
Cost		
	Fixtures and Fittings	
Balance at 1 July 2014	25,755	25,755
Additions	-	-
Balance at 30 June 2015	25,755	25,755
Accumulated Depreciation		
Balance at 1 July 2014	6,563	2,060
Depreciation for the year	3,838	4,503
Balance at 30 June 2015	10,401	6,563
Net carrying amount at 30 June	15,354	19,192

9. EXPLORATION ASSETS

	2015 US\$	2014 US\$ Restated
Carrying amount at beginning of year	348,293	9,315,065
Expenditure incurred and capitalised during the period	-	932,544
Impairment of asset	(354,695)	(10,128,690)
Foreign currency movement	6,402	229,374
Carrying amount at end of year	-	348,293

In line with Global's accounting policies (refer Note 3.4) the Group's capitalised exploration is assessed for impairment every 12 months.

Namibia

A detailed impairment assessment was conducted as at 30 June 2014 in relation to the Group's capitalised expenditure and based on this assessment the exploration asset held in offshore Namibia was impaired and a total amount of US\$10,128,690 was written off. On 22 August 2014, the Initial Exploration Period of the Licence was extended by one year to December 2015 in return for an additional work programme, involving further modelling using both seismic and gravity data. The Group intends to enter into discussions with the Namibian authorities regarding future exploration in the Blocks. The outcome of these discussions cannot however be foreseen with reasonable certainty. The Group has therefore expensed costs on these Blocks as they are incurred, which totalled US\$393,596 for the year ended 30 June 2015.

Juan de Nova

The Company applied for an extension of the exploration Permit in August 2013. Given the lack of progress in the two years since then, the fact that there is no visibility as to when a formal decision might be forthcoming from the French authorities, as well as Global's relative technical ranking of Juan de Nova compared to its other interests and opportunities, the Board has taken the decision to withdraw from the application. The total expenditure on this area, totalling US\$ 354,695, has therefore been written off at June 2015 (2014:Nil).

During the year, the Group also incurred exploration and evaluation expenditure of US\$437,149 (2014: US\$779,449) which has been expensed as business development as it did not meet the criteria for recognition as exploration assets under the Group's accounting policy. (refer to Note 3.4)

10. FOREIGN EXCHANGE

	2015 US\$	2014 US\$ Restated
Foreign exchange (gains)losses		
Net foreign exchange losses	631,167	578,771
Transfer from foreign exchange reserve on dissolution of a controlled entity	270,384	(232,267)
	901,551	346,504

11. TAXES

	2015 US\$	2014 US\$ Restated
Recognised in the Statement of Profit or Loss and Other Comprehensive income		
Current tax (benefit) expense of continuing operations		
Current year	-	3,522
	-	3,522
Deferred tax (benefit) expense of continuing operations		
Origination and reversal of temporary differences	-	-
Deferred tax assets not brought to account	-	-
	-	-
Total income tax (benefit) expense in the Statement of Profit or Loss and Other Comprehensive Income	-	3,522

	2015 US\$	2014 US\$ Restated
Reconciliation between profit (loss) before tax and tax expense		
Profit (loss) of continuing operations before tax expense	(4,469,837)	(13,527,822)
Prima facie tax expense (benefit) at 20.75% (2014: 22.5%)	(927,491)	(3,042,967)
<i>Increase (decrease) in income tax expense due to:</i>		
Income assessable for income tax purposes	-	(88,251)
Expenditure not allowable for income tax purposes	41,372	2,748,999
Release of provision for tax from prior years	-	-
Adjustment for different tax rates and consequences of changing tax domicile	25,016	338,090
Foreign exchange	-	47,651
Carried forward unrecognised deferred tax	861,103	-
Income tax (benefit) expense on pre-tax net profit (loss)	-	3,522

11. TAXES

Current tax payable

	2015 US\$	2014 US\$ Restated
Opening balance of tax payable (receivable)	3,522	(163,009)
Tax (paid)/refunded during period	(3,248)	163,009
Income tax expense (benefit) for the year - continuing operations	-	3,522
Foreign exchange movement	(274)	-
Closing balance of tax payable (receivable)	-	3,522

On 1 April 2014, Global Petroleum Limited changed its tax domicile from Australia to the United Kingdom.

Deferred income tax

	2015 US\$	2014 US\$ Restated
<i>Deferred tax assets</i>		
Tax losses available to offset future taxable income	1,091,291	230,188
Tax benefit not brought to account	(1,091,291)	(230,188)
	-	-

Deferred tax assets have not been recognised in respect of tax losses because there is no convincing other evidence that future taxable profit will be available against which the Group can utilise the benefits and they amount to US\$1,091,291 (2014: US\$230,188).

12. TRADE AND OTHER RECEIVABLES

	2015 US\$	2014 US\$ Restated
Current		
Other receivables	150,386	159,411
Trade and other receivables	177,085	159,411

13. CASH AND CASH EQUIVALENTS

	2015 US\$	2014 US\$ Restated
Cash at bank and on hand	11,634,539	15,175,872
Term deposits	1,073,188	1,432,719
Cash and cash equivalents in the statement of cash flows	12,707,727	16,608,591

14. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2015 US\$	2014 US\$ Restated
Cash flows from operating activities		
Profit (loss) for the year	(4,469,837)	(13,527,822)
Adjustments for items classified as investing/financing activities:	1,128,341	694,168
Adjustments for non-cash items:		
Income tax expense	-	3,522
Impairment of exploration asset	354,695	10,128,690
Depreciation of fixtures and fittings	3,838	4,503
Unrealised net foreign exchange (gain) loss	494,167	346,504
Equity based remuneration	139,159	95,968
<i>Changes in operating assets and liabilities, net of effects of purchase of controlled entities during the financial year:</i>		
Decrease (increase) in receivables	(12,100)	239,175
(Decrease) increase in payables	(208,768)	42,990
(Decrease) increase in provisions	28,167	15,794
Net cash from (used in) operating activities	(2,542,338)	(1,956,508)

Credit standby arrangements with banks: At balance date, the Company had no used or unused financing facilities.

Non-cash financing and investing activities: There were no significant non-cash financing or investing activities in the current or prior year.

15. CAPITAL AND RESERVES

	2015	2014	2015	2014
	Number of shares		US\$	
				Restated
Issued and paid up capital				
On issue at 1 July	199,444,787	199,444,787	39,145,581	39,145,581
On issue at 30 June	199,444,787	199,444,787	39,145,581	39,145,581

Terms and conditions of ordinary shares

The rights attaching to fully paid ordinary shares ("ordinary shares") arise from a combination of the Company's Constitution, statute and general law. The shares have no par value and are fully paid ordinary shares.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and Directors, including provisions to the following effect (when read in conjunction with the Corporations Act 2001 or Listing Rules).

Shares

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the Directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.

Meetings of members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is two natural persons, each of whom is or represents different shareholders who are eligible to vote.

The Company holds annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.

Voting

Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

Changes to the constitution

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

Listing Rules

Provided the Company remains admitted to the Official List of the ASX, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules of the ASX, and authority is given for acts required to be done by the Listing Rules of the ASX.

15. CAPITAL AND RESERVES (continued)

Terms and conditions of ordinary shares (continued)

Reserves

	2015 US\$	2014 US\$ Restated
Option reserve	836,728	697,569
Foreign currency translation reserve	586,827	316,443
Total Reserves	1,423,555	1,014,012

Option reserve

The option reserve comprises the cumulative grant date fair value of options issued to directors and other personnel and consultants over the vesting period. For more detail see note 17.

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 no further foreign currency translation differences will be recognised as all entities in the Group have a US\$ functional currency.

On 4 April 2014 Star Petroleum Limited was dissolved and is no longer part of the Group. On consolidation any foreign exchange gains/losses relating to translation of this company's financial statements, which was previously recorded in foreign currency translation reserves, was transferred to the consolidated statement of profit and loss.

	2015 US\$	2014 US\$ Restated
Balance at 1 July	316,443	366,401
Transfer from foreign exchange reserve on dissolution of a controlled entity	270,384	(294,168)
Foreign currency translation differences - foreign operations	-	244,210
Balance at 30 June	586,827	316,443

Accumulated losses

	2015 US\$	2014 US\$ Restated
Balance at 1 July	(23,448,824)	(9,921,002)
Loss for the year	(4,469,837)	(13,527,822)
Total accumulated (losses)	(27,918,661)	(23,448,824)

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15. CAPITAL AND RESERVES (continued)

Terms and conditions of ordinary shares (continued)

Dividends

No dividends have been declared, provided for or paid in respect of the years ended 30 June 2015 or 30 June 2014. With respect to the payment of dividends by Global Petroleum in subsequent reporting periods (if any), no franking credits are currently available.

Share based payments

From time to time, the Group may provide incentive options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required. See note 17.

16. EARNINGS PER SHARE

	2015 US Cents per share	2014 US Cents per share Restated
Basic earnings (loss) per share	(2.241)	(6.782)
Diluted earnings (loss) per share	(2.241)	(6.782)

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2015 US\$	2014 US\$ Restated
Net profit (loss) used in calculating basic and diluted earnings per share	(4,469,837)	(13,527,822)

	Number of shares 2015	Number of shares 2014
Weighted average number of ordinary shares used in calculating basic earnings per share	199,444,787	199,444,787
Effect of dilutive securities	-	-
Adjusted weighted average number of ordinary shares and potential ordinary shares used in calculating basic and diluted earnings per share	199,444,787	199,444,787

17. SHARE BASED PAYMENTS

Refer to the accounting policy in Note 3.8.

On 27 November 2014, the Company cancelled and re-granted 6,600,000 options to Messrs. Hill, Dighton and Cronin detailed below and approved by shareholders on 27 November 2014. These changes were accounted for as a modification of a share based payment (the vesting date was extended and the exercisable value was decreased) and, in accordance with AASB2, this resulted in an additional US\$119,095 expensed to equity based remuneration over the vesting period of the options.

Cancelled options

P Hill:

- i. 1,500,000 incentive options exercisable at AU\$0.25 each on or before 1 April 2017, vesting on 16 December 2013;
- ii. 1,750,000 incentive options exercisable at AU\$0.30 each on or before 1 October 2017, vesting on 16 December 2013;
- iii. 1,750,000 incentive options exercisable at AU\$0.35 each on or before 1 April 2018, vesting on 16 December 2013; and
- iv. 1,000,000 incentive options exercisable at AU\$0.45 each on or before 1 October 2018, vesting on 16 December 2013;

P Dighton and D Cronin:

300,000 incentive options (each) exercisable at AU\$0.25 each on or before 30 June 2019, vesting on 16 December 2013;

Re-granted options

P Hill:

- i. 3,000,000 incentive options exercisable at AU\$0.065 each on or before 23 December 2019, vesting on 27 November 2014
- ii. 3,000,000 incentive options exercisable at AU\$0.065 each on or before 23 December 2019, vesting on 23 June 2015

P Dighton and D Cronin:

300,000 incentive options (each) exercisable at AU\$0.065 each on or before 23 December 2019, vesting on 27 November 2014

The Company also issued 1,000,000 incentive options to Mr. J van der Welle exercisable at AU\$0.065 each on or before 27 November 2019, approved by shareholders on 27 November 2014. 500,000 options vested on the 27 November 2014 and the other 500,000 vested on 27 May 2015. These options have a fair value of US\$20,064. This fair value has been recognized as an expense over the vesting period of the options in accordance with accounting standards.

The following equity-settled share-based payments were issued, cancelled or expired in the 12 months to 30 June 2015.

17. SHARE BASED PAYMENTS (continued)

	Number of Options	Grant date	Fair Value per option at grant date AU\$ (US\$)	% Cancelled Expired in year	Exercise date	Exercise Price AU\$(US\$)	Vesting date
Mr P Hill Director	1,500,000	16 December 2013	AU\$0.019(US\$0.017)	100*	1 April 2017	AU\$0.25	16 December 2013
	1,750,000	16 December 2013	AU\$0.019(US\$0.017)	100*	1 October 2017	AU\$0.30	16 December 2013
	1,750,000	16 December 2013	AU\$0.020(US\$0.018)	100*	1 April 2018	AU\$0.35	16 December 2013
	1,000,000	16 December 2013	AU\$0.019(US\$0.017)	100*	1 October 2018	AU\$0.45	16 December 2013
Mr P Dighton Director	300,000	16 December 2013	AU\$0.034(US\$0.030)	100*	30 June 2019	AU\$0.25	16 December 2013
Mr D Cronin Director	300,000	16 December 2013	AU\$0.034(US\$0.030)	100*	30 June 2019	AU\$0.25	16 December 2013
Mr C McGhie	300,000	19 August 2011	AU\$0.150(US\$0.157)	100	30 June 2014	AU\$0.25	26 August 2011
Mr B Brittny	100,000	19 August 2011	AU\$0.150(US\$0.157)	100	30 June 2014	AU\$0.25	26 August 2011
Mr R Arnott Director	250,000	4 October 2012	AU\$0.036(US\$0.037)	100	1 April 2015	AU\$0.25	1 April 2013
Mr C Lewis	375,000	4 October 2012	AU\$0.036(US\$0.037)	100	1 April 2015	AU\$0.25	1 April 2013
Mr P Hill Director	3,000,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	27 November 2014
	3,000,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	23 June 2015
Mr P Dighton Director	300,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	27 November 2014
Mr D Cronin Director	300,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	27 November 2014
Mr J van der Welle Director	500,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	27 November 2014
	500,000	27 November 2014	AU\$0.025(US\$0.021)	-	23 December 2019	AU\$0.065	23 June 2015

*cancelled

The fair value of the options was determined using the Black Scholes option pricing model or the Binomial options pricing model. The total expense arising from the equity based payments for the year ended 30 June 2015 was US\$139,159 (2014:US\$114,820). The expected volatility of the options was calculated using the Hoadley's volatility calculator for a five year period, using data extracted from Bloomberg. For the purpose of the valuations above the future estimated volatility level utilised was 60% (2014: 65%) in the pricing model.

As indicated in the table below, for the year ended 30 June 2014, the Company cancelled and re-granted 6,300,000 options on 16 December 2013. All options were re-granted on identical terms to the existing incentive options other than the expiry date which was extended, in the case of Mr. P Hill's options from 2014/2015 to 2017/2018 and for Mr. P Dighton's from 2013 to 2019 – see details below. The changes were accounted for as a modification of a share based payment and, in accordance with AASB2, this resulted in an additional US\$120,101 expensed to equity based remuneration in the year ended 30 June 2014. A further 300,000 incentive options exercisable at AU\$0.25 on or before 30 June 2019 were issued to Mr. D Cronin following shareholder approval at the 2013 Annual General Meeting with a fair value of US\$9,604. These options were granted, and vested, on 16 December 2013. This fair value has been recognised as an expense over the vesting period of the options in accordance with accounting standards.

The Company cancelled and re-granted options, approved by shareholders at the 2013 Annual General Meeting as follows:

17. SHARE BASED PAYMENTS (continued)

Cancelled options

P Hill:

- i. 1,500,000 incentive options exercisable at AU\$0.25 each on or before 1 April 2014, vesting on 1 April 2012;
- ii. 1,750,000 incentive options exercisable at AU\$0.30 each on or before 1 October 2014, vesting on 1 October 2012;
- iii. 1,750,000 incentive options exercisable at AU\$0.35 each on or before 1 April 2015, vesting on 1 April 2013; and
- iv. 1,000,000 incentive options exercisable at AU\$0.45 each on or before 1 October 2015, vesting on 1 October 2013.

P Dighton:

300,000 incentive options exercisable at AU\$0.25 each on or before 30 June 2014.

Re-granted options

P Hill:

- i. 1,500,000 incentive options exercisable at AU\$0.25 each on or before 1 April 2017, vested on 16 December 2013
- ii. 1,750,000 incentive options exercisable at AU\$0.30 each on or before 1 October 2017, vested on 16 December 2013
- iii. 1,750,000 incentive options exercisable at AU\$0.35 each on or before 1 April 2018, vested on 16 December 2013, and
- iv. 1,000,000 incentive options exercisable at AU\$0.45 each on or before 1 October 2018, vested on 16 December 2013

P Dighton:

300,000 incentive options exercisable at AU\$0.25 each on or before 30 June 2019, vested on 16 December 2013

17. SHARE BASED PAYMENTS (continued)

The following table summarises these changes and discloses other movements in unvested options during the year to 30 June 2014

	Number of Options	Grant date	Fair Value per option vested in year	% Vested in Year	% Forfeited/ cancelled in year	Exercise date	Exercise Price AU\$	Vesting date
Dr R Arnott Director	290,000	4 October 2012	AU\$0.037(US\$0.038)	-	100	1 October 2015	AU\$0.30	1 October 2013
	290,000	4 October 2012	AU\$0.038(US\$0.039)	-	100	1 April 2016	AU\$0.35	1 April 2014
	170,000	4 October 2012	AU\$0.037(US\$0.038)	-	100	1 October 2016	AU\$0.45	1 October 2014
Mr P Hill Director	1,500,000	29 November 2011	AU\$0.080(US\$0.079)	-	100*	1 April 2014	AU\$0.25	1 April 2012
	1,750,000	29 November 2011	AU\$0.082(US\$0.081)	-	100*	1 October 2014	AU\$0.30	1 October 2012
	1,750,000	29 November 2011	AU\$0.085(US\$0.084)	-	100*	1 April 2015	AU\$0.35	1 April 2013
	1,000,000	29 November 2011	AU\$0.084(US\$0.083)	-	100*	1 October 2015	AU\$0.45	1 October 2013
	1,500,000	16 December 2013	AU\$0.019(US\$0.017)	100	-	1 April 2017	AU\$0.25	16 December 2013
	1,750,000	16 December 2013	AU\$0.019(US\$0.017)	100	-	1 October 2017	AU\$0.30	16 December 2013
	1,750,000	16 December 2013	AU\$0.020(US\$0.018)	100	-	1 April 2018	AU\$0.35	16 December 2013
	1,000,000	16 December 2013	AU\$0.019(US\$0.017)	100	-	1 October 2018	AU\$0.45	16 December 2013
Mr P Dighton Director	300,000	31 December 2011	AU\$0.053(US\$0.054)	-	100*	30 June 2014	AU\$0.25	31 December 2011
	300,000	16 December 2013	AU\$0.034(US\$0.030)	100	-	30 June 2019	AU\$0.25	16 December 2013
Mr D Cronin Director	300,000	16 December 2013	AU\$0.034(US\$0.030)	100	-	30 June 2019	AU\$0.25	16 December 2013
Mr C Lewis Employee	435,000	4 October 2012	AU\$0.037(US\$0.038)	100	-	1 October 2015	AU\$0.35	1 April 2014
	435,000	4 October 2012	AU\$0.038(US\$0.039)	-	100	1 April 2016	AU\$0.35	1 April 2014
	255,000	4 October 2012	AU\$0.037(US\$0.038)	-	100	1 October 2016	AU\$0.45	1 October 2014

*cancelled

The fair value of the options was determined using the Black Scholes option pricing model or the Binomial options pricing model. The total expense arising from the equity based payments for the year to 30 June 2014 was US\$95,968. The expected volatility of the options was calculated using the Hoadley's volatility calculator for a five year period, using data extracted from Bloomberg. For the purpose of the valuations above the future estimated volatility level utilised was 65% in the pricing model.

Dr R Arnott and Mr C Lewis's non-vested options were forfeited upon their resignation on 16 July 2013 and 20 January 2014 respectively.

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17. SHARE BASED PAYMENTS (continued)

Measurement of fair value

The fair value of the options granted through share based incentive scheme was measured based on the Black Scholes model and on a Binomial option pricing model.

	Year ended 30 June 2015	Year ended 30 June 2014
Fair value at grant date	AU\$0.025 – 0.037(US\$ 0.021 – 0.032)	AU\$0.019 – 0.037(US\$0.017 –0.033)
Share price	AU\$0.052 (US\$ 0.044)	AU\$0.09 (US\$0.081)
Exercise price	AU\$0.065 – 0.30 (US\$0.055 – 0.026)	AU\$0.25 - 0.45 (US\$0.224 – 0.403)
Expected volatility	60%	65%
Expected option life	0.25 – 4.56	3.36 – 5.61
Expected dividends	Nil	Nil
Risk-free interest rate (based on government bonds)	2.64%	3.06% - 3.48%

Reconciliation of outstanding share options

The number and weighted average exercise prices of the share options under the share option scheme are as follows:

	Number of options 2015	Weighted average exercise prices 2015 AU\$	Number of options 2014	Weighted average exercise price 2014 AU\$
Outstanding at 1 July	8,060,000	0.310	9,200,000	0.318
Cancelled during the period	(6,600,000)	0.320	7,740,000	0.328
Re-granted during the period	6,600,000	0.065	6,600,000	0.320
Granted during the period	1,000,000	0.065	-	-
Options exercised during the period	-	-	-	-
Options expired during the period	(1,025,000)	0.250	8,060,000	0.310
Outstanding at 30 June	8,035,000	0.078	8,060,000	0.310
Exercisable at 30 June	8,035,000	0.078	7,740,000	0.328

18. TRADE AND OTHER PAYABLES

	2015 US\$	2014 US\$ Restated
Current		
Trade payables	10,516	27,790
Accrued expenses	236,026	423,998
Balance at 30 June	246,542	451,788

19. PROVISIONS

	2015 US\$	2014 US\$ Restated
Current		
Employee benefits	94,161	65,994
	94,161	65,994

20. FINANCIAL INSTRUMENTS

20.1. Overview

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 monthly 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, but 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.

20. FINANCIAL INSTRUMENTS (continued)

20.2. 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. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2015 US\$	2014 US\$ Restated
Cash and cash equivalents	12,707,727	16,608,591
Trade and other receivables	177,085	159,411
	12,884,812	16,768,002

Trade and other receivables comprise loans, 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 2015, none (2014: 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 arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Cash and cash equivalents are held with Barclays Bank Plc ("Barclays"), ANZ banking Group Limited ("ANZ") and Bank of Queensland Limited ("BOQ"). Barclays has a long term credit rating (Standard & Poor's) of A- (2014: A-) and ANZ and BOQ have long term ratings of AA- and A- respectively (2014: AA- and A-).

20.3 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 always have sufficient liquidity to meet its liabilities when due. At 30 June 2015, the Group has sufficient liquid assets to meet its financial obligations.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

	≤6 months US\$	6-12 months US\$	1-5 years US\$	≥5 years US\$	Total US\$
2015 Financial liabilities					
Trade and other payables	246,542	-	-	-	246,542
	246,542	-	-	-	246,542
2014 Financial liabilities Restated					
Trade and other payables	451,788	-	-	-	451,788
	451,788	-	-	-	451,788

20. FINANCIAL INSTRUMENTS (continued)

20.4. 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.

	2015 US\$	2014 US\$ Restated
Interest bearing financial instruments		
Cash at bank and on hand	11,634,539	15,175,873
Term deposits	1,073,188	1,432,718
	12,707,727	16,608,591

The Group's cash at bank and on hand and short term deposits had a weighted average floating interest rate at year end of 0.52% (2014: 2.5%).

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

Interest rate sensitivity

A sensitivity of 50 basis point("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.

	Profit or Loss	
	50bp Increase	50bp Decrease
2015		
Cash and cash equivalents	63,538	63,538
2014 Restated		
Cash and cash equivalents	83,042	83,042

20. FINANCIAL INSTRUMENTS (continued)

20.5. Foreign currency risk

As a result of the functional currency change to US\$ by the Company and several subsidiaries in the Group, 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.

As at 30 June 2015, the Group had foreign denominated deposits of AU\$1,564,556 (US\$1,202,596) and GBP225,486 (US\$354,603). The group had current liabilities of AU\$135,079 (US\$103,829) and GBP75,773 (US\$136,433) and prepayments and other debtors of AU\$29,619 (US\$22,767) and GBP139,023 (US\$218,631).

As at 30 June 2014, the Group had foreign denominated deposits of US\$11,469,301 (AU\$12,181,087) and GBP1,406,187 (AU\$2,546,492). The group had current liabilities of GBP185,220 (AU\$335,222) and prepayments and other debtors of GBP95,105 (AU\$138,040).

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

20.6. Sensitivity analysis for currency risk

A sensitivity of 10 per cent 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 balance date.

30 June 2015

A 10% strengthening of the US\$ against the AUD and GBP at 30 June 2015 would have decreased equity for the year for the Group by US\$459,058. This analysis assumes that all other variables, in particular interest rates and equity prices, remain constant. No material effect on profit or loss.

A 10% weakening of the US\$ against the AUD and GBP at 30 June 2015 would have increased equity for the year for the Group by US\$155,720 on the basis that all other variables remain constant. No material effect on profit or loss.

30 June 2014

A 10% strengthening of the Australian dollar against the US\$ at 30 June 2014 would have decreased equity for the year for the Group by A\$195,467 and would have decreased the profit or loss of the Group by A\$911,904. This analysis assumes that all other variables, in particular interest rates and equity prices, remain constant.

A 10% weakening of the Australian dollar against the US\$ at 30 June 2014 would have increased equity for the year for the Group by A\$238,904, and have increased the profit or loss for the year for the Group by A\$1,114,549 on the basis that all other variables remain constant.

20.7. 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.

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

The Group is not subject to externally imposed capital requirements.

20.8. Fair value

The net fair value of financial assets and financial liabilities approximates their carrying value.

21. CAPITAL COMMITMENTS

21.1. Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Consolidated Entity 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.

21.2. Joint venture commitments

Jupiter Petroleum (Namibia) Limited, a 100% owned subsidiary of the Group, holds prospective oil and gas exploration interests in offshore Namibia. In order to maintain current rights of tenure to the exploration licences, Global is required to perform minimum exploration work to meet the minimum expenditure requirements specified in the Namibian Petroleum Exploration Licence. The obligations (subject to application for, and granting of, renewal in the case of the First and Second Renewal Periods) include:

Namibian Petroleum Exploration Licence

- (a) **Initial Exploration Period** (First four years of Licence commencing on 3 December 2010. On 22 August 2014 the Namibian Government extended only this Initial Exploration Period by 12 months to 3 December 2015):

Undertake geological, geochemical, geophysical and related studies and review all existing gravity and magnetic data, and other available information, including the purchase of existing relevant and reasonable quality seismic data, and acquire process and interpret a minimum of 1,000 kms of 2-D seismic data. Minimum exploration expenditure for the Initial Exploration Period: US\$1 million. To date US\$3.06 million has been spent.

- (b) **First Renewal Exploration Period** (One year from 3 December 2015):

The drilling of one exploration well. Minimum exploration expenditure for the First Renewal Exploration Period: US\$20 million. As indicated in the Directors' Report, the Company is currently discussing with the Namibian authorities re-negotiated terms for the continuation of the Licence beyond the current extension period, which terminates in December 2015.

- (c) **Second Renewal Period** (Two years from 3 December 2016):

Acquisition, processing and interpretation of additional seismic data (if necessary) and the drilling of one exploration well. Minimum exploration expenditure for the Second Renewal Exploration Period: US\$20 million, or US\$21 million if new seismic is required.

Jupiter has an 85% interest in the Petroleum Exploration Licence, however, it is responsible for 100% of the expenditure requirements with its joint venture partners holding a total of 15% free carried interest.

22. CONTINGENCIES

22.1. Indemnities

Indemnities have been provided to Directors and certain executive officers of the Company in respect of liabilities to third parties arising from their positions, except where the liability arises out of conduct involving a lack of good faith. No monetary limit applies to these agreements and there are no known obligations outstanding at 30 June 2015 and 30 June 2014.

22.2. Joint operations

In accordance with normal industry practice the Consolidated Entity has entered into joint ventures with other parties for the purpose of exploring for 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

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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 venturers.

23. RELATED PARTIES

23.1. Ultimate parent

Global Petroleum Limited is the ultimate parent entity of the Group.

23.2. 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 Peter Blakey	Non-Executive Director
Mr Damien Cronin	Non-Executive Director and Company Secretary
Mr Peter Dighton	Non-Executive Director
Mr Peter Taylor	Non-Executive Director

23.3. Key management personnel compensation

	2015 US\$	2014 US\$ Restated
Short-term employee benefits	631,401	599,051
Share based payments	139,159	114,820
Post-employment benefits	17,132	55,185
Total compensation	787,692	769,056

23.4. 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 US\$75,816 (2014:US\$98,702) to TM Services Limited, a company controlled by Mr P Taylor and Mr P Blakey, for administrative and technical assistance, US\$27,396 (2014:US\$31,636) to Law Strategies Pty Ltd, a company controlled by Mr P Dighton, for the provision of a fully serviced Australian office to the Company. The Company also paid Law Strategies Pty Ltd US\$30,368 (2014:US\$3,295) for legal services, Damien Cronin Pty Ltd trading as Law Projects, a company controlled by Mr D Cronin, US\$38,634 (2014:US\$39,545) for company secretarial services and Northlands Advisory Services Limited, a company controlled by Mr J van der Welle, US\$52,247 (2014:US\$16,291) for consulting services. The Company also paid the following consultancy fees to the Directors: Mr P Blakey US\$25,420 (2014:US\$28,247) and Mr P Taylor US\$25,420 (2014:US\$28,247).

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24. GROUP ENTITIES

All controlled entities are included in the consolidated financial statements. 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. The financial year-end of the controlled entities is the same as that of the parent entity.

	Country of incorporation	Ownership interest	
		2015 %	2014 %
Parent entity			
Global Petroleum Limited	Australia		
Subsidiaries			
Global Petroleum UK Limited	United Kingdom	100	100
Jupiter Petroleum Limited	United Kingdom	100	100
Jupiter Petroleum (Namibia) Limited	British Virgin Islands	100	100
Jupiter Petroleum Juan De Nova Limited	British Virgin Islands	100	100
Dampier Oil Pty Ltd ⁽¹⁾	Australia	-	100
Global Mine Management Pty Limited ⁽¹⁾	Australia	-	100
Global Petroleum (USA) Pty Ltd ⁽²⁾	Australia	-	100
GP Exploration Inc. ⁽²⁾	United States of America	-	100

⁽¹⁾ In July 2014, the Company de-registered Dampier Oil Pty Ltd and Global Mine Management Pty Ltd. These companies were dormant for many years and the decision to de-register was made in order to reduce both costs and administration.

⁽²⁾ The Group also dissolved Global Petroleum (USA) Pty Ltd and GP Exploration Inc during the reporting period in order to reduce both costs and administration.

24. GROUP ENTITIES (continued)

Interests in joint operations

The Consolidated Entity holds the following interests in various joint ventures, whose principal activities are in petroleum exploration and production.

Included in the assets and liabilities of the Consolidated Entity are the following assets and liabilities:

	2015 US\$	2014 US\$ Restated
Current assets		
Cash and cash equivalents	-	-
Trade and other receivables	-	-
Total current assets	-	-
Non-current assets		
Oil and gas assets	-	-
Exploration asset	-	348,293
Total non-current assets	-	348,293
TOTAL ASSETS	-	348,293
Current liabilities		
Trade and other payables	-	-
Current tax payable	-	-
Total current liabilities	-	-
Non-current liabilities		
Provisions	-	-
Deferred tax liability	-	-
Total non-current liabilities	-	-
TOTAL LIABILITIES	-	-
NET ASSETS	-	348,293

24. GROUP ENTITIES (continued)

Interests in joint operations

For income and expenses attributable to joint operations refer to Note 5.

	Notes	Joint Venture % Interest Held	
		2015 %	2014 %
Namibia – Petroleum Exploration Licence No.0029	9	85	85
Juan de Nova Est. Permit	9	-	30

See Notes 21 for details of commitments and contingencies in relation to joint operations.

25. SUBSEQUENT EVENTS

Subsequent to the reporting period, the Company announced that it has commenced a programme to reduce its corporate costs in response to the lower oil price environment and the time it has taken to find a value enhancing acquisition. As a result of its cost review, the Board is taking steps to implement a reduction in corporate costs, including a reduction in the cash element of the compensation of the Board.

Additionally, subsequent to the reporting date, the non-remuneration conditions of Mr Hill's contract of employment have been amended to provide for a 12 month notice period to be given by both Mr Hill or the Company if either party does not wish to renew the contract of employment. This replaces a three month notice period.

A decision to withdraw from the Juan de Nova Est application was made by the Company in July 2015. The decision was taken in the light of the lack of progress in the two years since the extension application was made, the fact that there is no visibility as to when a formal decision might be forthcoming from the French authorities, and also Global's relative technical ranking of Juan de Nova compared to its other interests and opportunities. The Group impaired the capitalised evaluation and exploration asset totalling US\$354,695 in relation to Juan de Nova as at 30 June 2015 (refer note 9).

As at the date of this report, there are no other matters or circumstances which have arisen since 30 June 2015 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2015 of the Consolidated Entity;
- the results of those operations, in financials years subsequent to 30 June 2015 of the Consolidated Entity;
or
- the state of affairs, in financial years subsequent to 30 June 2015 of the Consolidated Entity.

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2015



26. AUDITOR'S REMUNERATION

	2015 US\$	2014 US\$ Restated
Audit services:		
Auditors of the Group, KPMG Australia – audit and review of financial reports	59,058	73,912
	59,058	73,912
Other services:		
Auditors of the Group, KPMG Australia - assurance, taxation and due diligence services	2,306	15,065
	2,306	15,065
	61,364	88,977

KPMG are the auditors of the Consolidated Entity for the year ended 30 June 2015.

27. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2015 the parent entity of the Group was Global Petroleum Limited.

	2015 US\$	2014 US\$ Restated
(a) Financial position of parent entity		
Assets		
Current assets	12,949,126	14,809,512
Non-current assets	15,354	3,198,933
Total assets	12,964,480	18,008,445
Liabilities		
Current liabilities	327,082	510,740
Non-current liabilities	-	-
Total liabilities	327,082	510,740
Net assets/(liabilities)	12,637,398	17,497,705
Equity		
Issued capital	39,145,581	39,145,581
Option premium reserve	836,728	697,569
Accumulated losses	(27,344,911)	(22,345,445)
Total equity	12,637,398	17,497,705
(b) Financial performance of parent entity		
(Loss) for the year	(4,999,466)	19,671,065
Total comprehensive gain (loss)	(4,999,466)	19,671,065

At 30 June 2015, the Parent Entity has no capital commitments (2014: nil)

**NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**



DIRECTORS' DECLARATION

- (1) In the opinion of the Directors of Global Petroleum Limited:
 - (a) the Consolidated financial statements and Notes that are set out on pages 17 to 55 and the Remuneration Report in Section 13 in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (2) The Directors draw attention to Note 2 to the consolidated financial statements, which include a statement of compliance with International Financial Reporting Standards.
- (3) The Directors have been given a declaration required by Section 295A of the Corporations Act 2001 from the chief executive officer for the financial year ended 30 June 2015.

Signed in accordance with a resolution of the Directors of Global Petroleum Limited

A handwritten signature in black ink, appearing to read "Damien Cronin", with a long horizontal flourish extending to the right.

DAMIEN CRONIN
Director and Company Secretary

25 September 2015, at Brisbane





ADDITIONAL INFORMATION



The shareholder information set out below was applicable as at 25 September 2015.

1. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities listed are:

		Ordinary Shares	
		Number	Percentage
1	Computershare Clearing Pty Ltd <CCNL DI A/C>	58,305,696	29.23%
2	Mr Peter Blakey	37,780,866	18.94%
3	Mr Peter Taylor	36,224,866	18.16%
4	Mrs Sandra Anne David	6,845,660	3.43%
5	Nefco Nominees Pty Ltd	4,862,923	2.44%
6	Mr Thomas Patrick Cross & Ms Linda Cross	2,776,400	1.39%
7	TM Services Limited	2,636,905	1.32%
8	Humbolt Capital Corporation	2,195,903	1.10%
9	Mr Terrence Peter Williamson & Ms Jonine Maree Jancey<The Wiljan Super Fund A/C>	1,700,000	0.85%
10	IPM Personal Pension Trustees Limited	1,556,000	0.78%
11	Mr Brian Crawshaw	1,500,000	0.75%
12	Arredo Pty Ltd	1,430,000	0.72%
13	Piat Corp Pty Ltd<PO Box 1727, West Perth WA 6872>	1,400,000	0.70%
14	JP Morgan Nominees Australia Limited	1,320,243	0.66%
15	Piat Corp Pty Ltd<PO Box 1727, West Perth WA 6872>	1,000,000	0.50%
16	Mr Michael Andrew Whiting & Mrs Tracey Anne Whiting <Whiting Family S/F A/C>	1,000,000	0.50%
17	Toltec Holdings Pty Ltd	975,000	0.49%
18	Mr Robert Hastings Smythe<Super Fund A/C>	871,800	0.44%
19	Millsy Pty Ltd <Broun Super Fund A/C>	867,242	0.43%
20	Mr Peter Gerard Hill	710,000	0.36%
Total Top 20		165,504,504	83.19%
Others		33,485,283	16.79%
Total Ordinary Shares on Issue		199,444,787	100.00%

ADDITIONAL INFORMATION



2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of shareholders by size of holding:

	Ordinary Shares	
	Number of Shareholders	Number of Shares
1 – 1,000	840	371,109
1,001 – 5,000	641	1,678,957
5,001 – 10,000	206	1,625,784
10,001 – 100,000	369	11,799,516
100,001 and over	90	183,969,421
	2,146	199,444,787
The number of shareholders holding less than a marketable parcel of shares are:	1,777	4,746,203

3. VOTING RIGHTS

See Note 16 of the Notes to the Financial Statements.

4. SUBSTANTIAL SHAREHOLDERS

As at 25 September 2015, Substantial Shareholder notices have previously been received from the following (current for the number of voting rights as at the date of the notices):

Substantial Shareholder	Number of Votes
Peter Blakey	80,590,770
Peter Taylor	80,590,770

5. UNQUOTED SECURITIES

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

Options

	Incentive Options
Peter Hill - A\$0.065 incentive options vesting 27 November 2014	3,000,000
Peter Hill - A\$0.065 incentive options vesting 23 June 2015	3,000,000
Total Peter Hill incentive options	6,000,000
John van der Welle - A\$0.065 incentive options vesting 27 November 2014	500,000
John van der Welle – A\$0.065 incentive options vesting 23 June 2015	500,000
Total John van der Welle incentive options	1,000,000
Total unquoted securities on issue	8,035,000

ADDITIONAL INFORMATION



6. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of Global Petroleum Limited's listed securities.

7. EXPLORATION/PROJECT INTERESTS

As at 25 September 2015, the Company has an interest in the following projects:

Project	Interest
Namibia Petroleum Exploration Licence No.0029	85% WI

CORPORATE DIRECTORY

Directors	Mr John van der Welle Mr Peter Taylor Mr Peter Blakey Mr Peter Hill Mr Peter Dighton Mr Damien Cronin	Non-Executive Chairman Non-Executive Director Non-Executive Director Managing Director and Chief Executive Officer Non-Executive Director Non-Executive Director
Company Secretary	Mr Damien Cronin	
Registered and Principal Office	Level 5, Toowong Tower 9 Sherwood Road Brisbane QLD 4066, Australia	
	Telephone	+61 7 3310 8732
	Facsimile	+61 7 3310 8823
UK Office	5 th Floor, Berkeley Square House Berkeley Square London W1J 6BR, United Kingdom	
	Telephone	+44 207 867 8600
	Facsimile	+44 207 569 1699
Website	www.globalpetroleum.com.au	
Email	info@glo-pet.com	
Solicitors	McCullough Robertson	
Auditor	KPMG, Brisbane	
Bankers	Barclays Bank Limited	
Stock Exchange Listing	Australian Securities Exchange (Symbol: GBP) Home Exchange – Sydney Office Australia Square Level 6, 123 George Street Sydney NSW 2000, Australia	
	AIM of the London Stock Exchange (Symbol: GBP) 10 Paternoster Square London EC4M 7LS, United Kingdom	
ASX/AIM Code	GBP – Fully paid ordinary shares	
Share Register	Computershare Investor Services Pty Ltd 117 Victoria Street West End QLD 4101, Australia	
	Telephone	+61 7 3237 2100
	Facsimile	+61 7 3237 2152
	Computershare Investor Services PLC The Pavilions, Bridgewater Road Bristol BS99 7NH, United Kingdom	
	Telephone	+44 870 889 3105
	Facsimile	+44 870 703 6106