GLOBAL PETROLEUM LIMITED

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Annual Report 2013

GLOBAL PETROLEUM LIMITED

ABN 68 064 120 896

Corporate Directory

Directors

Dr Robert Arnott – *Chairman (appointed 4 October 2012, resigned 16 July 2013)*

Mr Mark Savage – *Chairman (resigned 4 October 2012)*

Mr Peter Taylor – *Non-Executive Director (appointed Non-Executive Chairman 16 July 2013)*

Mr Peter Blakey – *Non-Executive Director*

Mr Peter Hill – *Managing Director and Chief Executive Officer*

Mr Peter Dighton – *Non-Executive Director*

Mr Damien Cronin – *Non-Executive Director*

Company Secretary

Mr Damien Cronin

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Brisbane QLD 4066
Australia

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United Kingdom

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Website

www.globalpetroleum.com.au

Email

info@glo-pet.com

Solicitors

McCullough Robertson

Auditor

KPMG

Bankers

Australia and New Zealand Banking Group Limited

Stock Exchange Listing

Australian Securities Exchange
Home Branch –
Sydney Exchange Centre
70 Bridge Street
Sydney NSW 2000

Alternative Investment Market (AIM) of the London Stock Exchange

ASX/AIM Code

GPB – Fully paid ordinary shares

Share Register

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Directors' Report

For the year ended 30 June 2013

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 2013 ("Consolidated Entity" or "Group").

1. DIRECTORS

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

Unless otherwise disclosed, Directors held their office from 1 July 2012 until the date of this report.

Dr Robert Arnott Chairman Independent Non- Executive Director	Dr Arnott was appointed Chairman on 4 October 2012 and resigned on 16 July 2013. Dr Arnott is a British citizen with almost 30 years oil and gas experience in a career that started in the petroleum industry with Shell International, then progressed to investment banking where he worked as an equity analyst for HSBC Investment Bank, Morgan Stanley and Goldman Sachs International before subsequently moving back to the upstream industry. Dr Arnott is currently a director of AIM quoted Petroceltic International Plc and was previously a director of private company Spring Energy AS, having spent five years with the Norwegian exploration and production company DNO OIL Ltd. He is also a Research Advisor to the Oxford Institute of Energy Studies.
Mr Mark Savage B.Bus Chairman Independent Non-Executive Director	Mr Savage was born and educated in the United States of America where he received a business degree from the University of Colorado and was a senior executive for a number of US banks before he joined an Australian based merchant bank. Mr Savage has experience in debt and equity markets as well as in the corporate advisory area. During the three year period to the end of the financial year, Mr Savage has held directorships in CGA Mining Ltd (April 2000 – present), BPC Limited (September 2008 – October 2009) and Tower Resources Plc (January 2006 – May 2012). Mr Savage was appointed a Director of the Company on 23 November 1999, and Chairman of the Company on 2 April 2007. He resigned on 4 October 2012.
Mr Peter Hill MA Law (Oxon) Managing Director Chief Executive Officer	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. 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. 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.

1. DIRECTORS (continued)

Mr Peter Blakey B.Sc CEng Non-Executive Director **Mr Peter Taylor B.Sc CEng** Non-Executive Director	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. 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). Mr Blakey and Mr Taylor were appointed Directors of the Company on 4 October 2001 Mr Taylor was appointed Non-Executive Chairman on 16 July 2013.
Mr Peter Dighton LLB (QUT) Independent Non-Executive Director	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 is currently a Director of OSD Pipelines Pty Ltd and Diversified Mining Services Limited and is the Australasian representative of the floating LNG developer Flex LNG Limited (2008 - to date). 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.
Mr Damien Cronin MAICD MQLS Independent Non-Executive Director and Company Secretary	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 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. 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.

2. 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.

3. 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
Dr R Arnott	3	3
Mr M Savage	1	0
Mr P Hill	5	5
Mr P Blakey	5	4
Mr P Taylor	5	4
Mr P Dighton	5	5
Mr D Cronin	5	5

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

4. CORPORATE GOVERNANCE STATEMENTS

To ensure the Company operates effectively and in the best interests of shareholders, having regard to the nature of the Company's activities and its size, the Board has adopted the revised Corporate Governance Principles and Recommendations 2nd Edition (as amended at 30 June 2010) issued by the ASX Corporate Governance Council, subject to the exceptions noted below.

Principles and Recommendations	Adoption Yes/No	If not, Explanation Provided
Principle 1 – Lay solid foundations for management and oversight		
Recommendation 1.1 - Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Yes	
Recommendation 1.2 - Companies should disclose the process for evaluating the performance of senior executives.	Yes	
Recommendation 1.3 - Companies should provide the information indicated in the Guide to reporting on Principle 1.	Yes	
Principle 2 – Structure the Board to add value		
Recommendation 2.1 - A majority of the Board should be independent Directors.	No	Yes
Recommendation 2.2 - The Chairman should be an independent Director.	No	Yes
Recommendation 2.3 - The roles of Chairman and Chief Executive Officer should not be exercised by the same individual.	Yes	
Recommendation 2.4 - The Board should establish a nomination committee.	No	Yes
Recommendation 2.5 - Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	Yes	
Recommendation 2.6 - Companies should provide the information indicated in the Guide to reporting on Principle 2.	Yes	

4. CORPORATE GOVERNANCE STATEMENTS (continued)

Principle 3 – Promote ethical and responsible decision-making		
Recommendation 3.1 - Companies should establish a Code of Conduct and disclose the Code or a summary of the Code as to: • the practices necessary to maintain confidence in the Company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	
Recommendation 3.2 – Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. That policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	No	Yes
Recommendation 3.3 - Companies should disclose in each annual report the measurable objectives set by the Board in accordance with the diversity policy and progress towards achieving them.	No	Yes
Recommendation 3.4 – Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	No	Yes
Recommendation 3.5 – Companies should provide the information indicated in the Guide to reporting on Principle 3.	Yes	
Principle 4 – Safeguard integrity in financial reporting		
Recommendation 4.1 - The Board should establish an audit committee.	No	Yes
Recommendation 4.2 - The audit committee should be structured so that it: • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent Chairman, who is not Chairman of the Board; and • has at least three members.	No	Yes
Recommendation 4.3 - The audit committee should have a formal charter.	No	Yes
Recommendation 4.4 - Companies should provide the information indicated in the Guide to reporting on Principle 4.	Yes	
Principle 5 – Make timely and balanced disclosure		
Recommendation 5.1 - Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	
Recommendation 5.2 - Companies should provide the information indicated in the Guide to reporting on Principle 5.	Yes	
Principle 6 – Respect the rights of shareholders		
Recommendation 6.1 - Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	
Recommendation 6.2 - Companies should provide the information indicated in the Guide to reporting on Principle 6.	Yes	

4. CORPORATE GOVERNANCE STATEMENTS (continued)

Principle 7 – Recognise and manage risk		
Recommendation 7.1 - Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	
Recommendation 7.2 - The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Yes	
Recommendation 7.3 - The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	
Recommendation 7.4 - Companies should provide the information indicated in the Guide to reporting on Principle 7.	Yes	
Principle 8 – Remunerate fairly and responsibly		
Recommendation 8.1 - The Board should establish a remuneration committee.	No	Yes
Recommendation 8.2 - The remuneration committee should be structured so that it: • consists of a majority of independent Directors; • is chaired by an independent Director; and • has at least three members	No	Yes
Recommendation 8.3 - Companies should clearly distinguish the structure of Non-Executive Director's remuneration from that of Executive Directors and senior executives.	Yes	
Recommendation 8.4 – Companies should provide the information indicated in the Guide to reporting on Principle 8.	Yes	

4.1 Board of Directors

Principle 1 – Lay solid foundations for management, Principle 2 – Structure the Board to add value, and Principle 4 – Safeguard integrity in financial reporting

Role of the Board and Management

The Board of Directors of Global Petroleum Limited is responsible for its corporate governance, that is, the system by which the Group is managed. The Board represents shareholders' interests in continuing a successful business, which seeks to optimise medium to long-term financial gains for shareholders. By not focusing on short-term gains for shareholders, the Board believes that this will ultimately result in the interests of all stakeholders being appropriately addressed when making business decisions.

The Board is responsible for ensuring that the Group is managed in such a way to best achieve this desired result. Given the current size and operations of the business, the Board currently undertakes an active, not passive role.

The Board is responsible for evaluating and setting the strategic directions for the Group, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the day-to-day management of the Group.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.1 Board of Directors (continued)

Principle 1 – Lay solid foundations for management, Principle 2 – Structure the Board to add value, and Principle 4 – Safeguard integrity in financial reporting

Role of the Board and Management (continued)

The Board has sole responsibility for the following:

- Appointing and removing the Managing Director and any other executives and approving their remuneration;
- Appointing and removing the Company Secretary / Chief Financial Officer and approving their remuneration;
- Determining the strategic direction of the Group and measuring performance of management against approved strategies;
- Review of the adequacy of resources for management to properly carry out approved strategies and business plans;
- Adopting operating and capital expenditure budgets at the commencement of each financial year and monitoring the progress by both financial and non-financial key performance indicators;
- Monitoring the Group's medium term capital and cash flow requirements;
- Approving and monitoring financial and other reporting to regulatory bodies, shareholders and other organisations;
- Determining that satisfactory arrangements are in place for auditing the Group's financial affairs;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and compliance with legislative requirements; and
- Ensuring that policies and compliance systems consistent with the Group's objectives and best practice are in place and that the Company and its officers act legally, ethically and responsibly on all matters.

The Board has formalised the respective roles and responsibilities of the Board and management in a Board Charter (incorporating a Role Statement, a Corporate Governance Statement and a Directors' Code of Conduct). A copy of the Board Charter is available on the Company's website. The Board's role and the Group's corporate governance practices are being continually reviewed and improved as required.

Director and executive education

The Board considers that its Directors are suitably qualified and experienced to fulfil their roles, and that the Board possesses the correct mix of skills for the Board to be able to carry out its function effectively. The Board has in place systems and procedures to ensure Directors receive continuing education to ensure they are up to date with their responsibilities as Directors and carry out the work of their roles effectively and efficiently.

Independent professional advice and access to Company information

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Group's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.1 Board of Directors (continued)

Composition of the Board and New Appointments

Details of the Directors, including their qualifications, experience and date of appointment are set out in the Directors' Report on page 1.

The Company's Constitution provides that the number of Directors is not to be less than three and not more than ten. There is no requirement for any share holding qualification.

The Board has assessed the independence status of the Directors and has determined that there are currently two independent Directors, being Messrs, Dighton and Cronin.

The Board has followed the ASX Corporate Governance Principles and Recommendations when assessing the independence of the Directors which define an independent director to be a Director who:

- is non-executive;
- is not a substantial shareholder (i.e. greater than 5%) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a Director after ceasing to hold such employment;
- within the last three years has not been a principal or employee of a material professional adviser or a material consultant to the Company or another Group member;
- is not a significant supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant supplier or customer;
- has no material contractual relationship with the Company or another Group member other than as a Director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount which is greater than five percent of either the net assets of the Company or an individual Director's net worth is considered material for these purposes.

TM Services Limited, a company associated with Messrs Blakey and Taylor, is paid a monthly retainer to provide administrative services to the Company. Law Strategies Pty Ltd, a company associated with Mr Dighton, is paid a monthly retainer to provide an office to the Company as its registered office. Law Projects Pty Ltd, a company associated with Mr Cronin, is paid to provide company secretarial services to the Company. The Board considers that these relationships are not material or significant enough to impact the independent judgment of Messrs Blakey, Taylor, Dighton and Cronin.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of additional independent Non-Executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.1 Board of Directors (continued)

Composition of the Board and New Appointments (continued)

If the Group's activities increase in size, nature and scope, the size of the Board will be reviewed periodically to determine the optimum number of Directors required for the Board to properly perform its responsibilities and functions.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board includes quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Group's scope of activities, intellectual ability to contribute to the Board duties and physical ability to undertake the Board duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next annual general meeting. Under the Company's Constitution the tenure of Directors (other than Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his last appointment. Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of a compulsory retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for any period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the Board may revoke this appointment according to the terms of this agreement (refer note 4.3.2).

4.2 Committees of the Board

The Board considers that the Group is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Group's activities and to ensure that it adheres to appropriate ethical standards.

The Board has also established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The full Board currently holds meetings at such times as may be necessary to address any general or specific matters as required.

If the Group's activities increase in size, scope and nature, the appointment of separate or special committees will be reviewed by the Board and implemented if appropriate.

4.3 Remuneration report – audited

Principle 8 – Remunerate fairly and responsibly

4.3.1 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.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.3 Remuneration report – audited (continued)

Principle 8 – Remunerate fairly and responsibly (continued)

4.3.2 Directors and executive officers' remuneration – audited

Executive 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 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 2013 (2012: nil).

(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 programs 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 in the process of determining the specific KPI's.

During the 2013 financial year, no cash bonuses were paid or are payable (2012: nil).

(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 4.3.3.1 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.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.3 Remuneration report – audited (continued)

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

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 this year (2012: nil).

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Directors' fees paid to Non-Executive Directors accrue on a daily basis. 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 Savage, Blakey, Taylor are presently set at $45,000 per annum (2012: $45,000). Dr Arnott's fees were set at £60,000 (A$99,772) per annum. Messrs Dighton and Cronins' fees are presently set at $30,000 per annum. These fees relate to responsibilities as a Director only. Refer to table in note 4.3.2 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 2013 to Messrs Dighton and Cronin (2012: Messrs Middlemas, McGhie, Dighton and Cronin).

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 should the value of the Company's shares increase sufficiently to warrant exercising the incentive options.

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.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.3 Remuneration report – audited (continued)

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

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, 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 amount is not to exceed 3 months. He is not entitled to any additional termination payout. Mr P Hill receives a salary of £220,000 (A$ 359,395) plus pension contributions of £30,000 (A$46,054) during 2013.

Mr P Hill has also been granted on the 29 November 2011 the following options:

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

These were valued at a total value of $496,250.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.3 Remuneration report – audited (continued)

4.3.2 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		Salary	Non-monetary benefits	Short-Term[1] Director's Fees	Post Employment Superannuation	Termination Benefits	Share-based Payments Options[2]	Total	Proportion of Remuneration Performance Related	Value of Options as Proportion of Total Remuneration
		$	$	$	$	$	$	$	%	%
Executive officers										
Mr P Hill	**2013**	**382,153**	**-**	**-**	**49,885**	**-**	**144,872**	**576,910**	**-**	**25.1**
	2012	313,336	-	-	37,301	-	341,223	691,860	-	49.3
Sub-total executive officers remuneration	**2013**	**382,153**	**-**	**-**	**49,885**	**-**	**144,872**	**576,910**	**-**	**25.1**
	2012	313,336	-	-	37,301	-	341,223	691,860	-	49.3
Non-executive directors										
Dr R Arnott [4]	**2013**	**-**	**-**	**81,494**	**-**	**-**	**24,808**	**106,302**	**-**	**23.3**
Appointed 4 Oct 2012, resigned 16 July 2013	2012	-	-	-	-	-	-	-	-	-
Mr M Savage	**2013**	**-**	**-**	**11,739**	**-**	**-**	**-**	**11,739**	**-**	**-**
	2012	-	-	45,000	-	-	-	45,000	-	-
Mr P Blakey	**2013**	**-**	**-**	**45,000**	**-**	**-**	**-**	**45,000**	**-**	**-**
	2012	-	-	45,000	-	-	-	45,000	-	-
Mr P Taylor	**2013**	**-**	**-**	**45,000**	**-**	**-**	**-**	**45,000**	**-**	**-**
	2012	-	-	45,000	-	-	-	45,000	-	-
Mr I Middlemas	**2013**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Resigned 31 Dec 2011	2012	-	-	22,500	2,025	-	-	24,525	-	-
M C McGhie	**2013**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Resigned 31 Dec 2011	2012	-	-	22,500	2,025	-	45,000	69,525	-	64.7
Mr P Dighton	**2013**	**-**	**-**	**30,000**	**2,700**	**-**	**-**	**32,700**	**-**	**-**
Appointed 31 Dec 2011	2012	-	-	15,000	1,350	-	16,020	32,370	-	49.5
Mr D Cronin [3]	**2013**	**-**	**-**	**30,000**	**2,700**	**-**	**-**	**32,700**	**-**	**-**
Appointed 31 Dec 2011	2012	-	-	15,000	1,350	-	-	16,350	-	-
Sub-total non-executive directors' remuneration	**2013**	**-**	**-**	**243,233**	**5,400**	**-**	**24,808**	**273,441**	**-**	
	2012	-	-	210,000	6,750	-	61,020	277,770	-	
Total directors' and executive officers' remuneration	**2013**	**382,153**	**-**	**243,233**	**55,285**	**-**	**169,680**	**850,351**	-	
	2012	313,336	-	210,000	44,051	-	402,243	969,630	-	

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.3 Remuneration report – audited (continued)

4.3.2 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 $38,000 (2012: $18,000) as Company Secretary, separate to his role as Director and thus not included in table above.

(4) On 16 July 2013, Dr R Arnott resigned as Chairman of the Board and as a Director. He was paid 3 month's Director's fees in lieu of notice and all options that had not vested lapsed.

4.3.3 Equity instruments - audited

4.3.3.1 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:

In 2013, the following equity-settled share-based payments were issued for no consideration. During 2013, no equity-settled share-based payments were issued.

	Number of Options	Grant date	Fair Value per option at grant date $	% Vested in Year	% Forfeited or lapsed in year	Exercise date	Exercise Price $	Vesting date
Robert Arnott Chairman	250,000	4 October 2012	0.036	100	0	1 April 2015	0.25	1 April 2013
	290,000	4 October 2012	0.037	0	0	1 October 2015	0.30	1 October 2013
	290,000	4 October 2012	0.038	0	0	1 April 2016	0.35	1 April 2014
	170,000	4 October 2012	0.037	0	0	1 October 2016	0.45	1 October 2014

Subsequent to 30 June 2013, 750,000 options allocated to Dr R Arnott have lapsed, with a total value of $28,040. To date $15,808 has been expensed as equity based remuneration.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.3 Remuneration report – audited (continued)

4.3.3 Equity instruments – audited (continued)

4.3.3.1 Options granted to Directors and Key Management Personnel – audited (continued)

Once the Vesting date has been reached there are no exercise conditions attached to these options. No options were exercised during the year.

The fair value of the options was determined using the Black Scholes option pricing model and the Binomial option pricing model. The total expense arising from the share based payments to KMP was $219,297. The expected volatility of the options was calculated using the Hoadley's volatility calculator for a 3 year period, using data extracted from Bloomberg. For the purpose of the valuations above, the future estimated volatility level of 75% (for options granted in 2013) .

	Year ended 30 June 2013	Year ended 30 June 2012
Fair value at grant date	$0.038 – 0.0250	0.0534 – 0.15
Share price	$0.13	0.16 – 0.25
Exercise price	$0.25 – 0.45	0.25 – 0.45
Expected volatility	75%	85 – 90%
Expected option life	2.38 – 3.84	2.00 – 3.84
Expected dividends	Nil	Nil
Risk-free interest rate (based on government bonds)	2.54	2.46 – 3.55

4.4 Risk management

Principle 7 – Recognise and manage risk and Principle 4 – Safeguard and integrity in financial reporting

Oversight of the risk management system

The identification and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Group's approach to creating long-term shareholder value. The Board has adopted a Risk Management Policy.

The Group operates a standardised risk management process that provides a consistent framework for the identification, assessment, monitoring and management of material business risks. This process is based on the Australian/New Zealand Standard for Risk Management (AS/NZS 4360 Risk Management) and the Committee of Sponsoring Organisations of the US Treadway Commission (COSO) control framework for enterprise risk management.

Strategic and operational risks are reviewed at least annually as part of the annual strategic planning, business planning, forecasting and budgeting process.

Risk profile

The Group has a series of operational risks which the Group believes to be inherent in the industry in which the Group operates having regard to the Group's circumstances (including financial resources, prospects and size). These include:

- fluctuations in oil and gas prices and exchange rates;
- accuracy of oil and gas reserve estimates;
- reliance on licenses, permits and approvals from governmental authorities; and
- changed operating, market or regulatory environments.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.4 Risk management (continued)

These risk areas are provided here to assist investors to understand better the nature of the risks faced by our Group and the industry in which the Group operates. They are not necessarily an exhaustive list.

Risk management and compliance and control

The Board is responsible for designing, implementing and reporting on the adequacy of the Group's risk management and internal control system. The Company Secretary reports to the Board annually, or more frequently as required, on the Group's key risks and the extent to which it believes these risks are being managed.

The Board is responsible for reviewing and approving the Group's risk management and internal control system and satisfying itself annually, or more frequently if required, that management has developed and implemented a sound system of risk management and internal control.

In 2013 the Board reviewed the overall risk profile for the Group and received reports from management on the effectiveness of the Group's management of its material business risks.

Quality and integrity of personnel

The Board regularly reviews the performance of its personnel against the Company's Code of Ethics and Conduct to ensure the quality and integrity of its personnel.

Integrity of financial reporting

The Board also receives a written assurance from the Chief Executive Officer, Peter Hill and the Chief Financial Officer or equivalent (CFO), Davis & Co that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The Board notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

Environmental regulation and performance

The Consolidated Entity's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Consolidated Entity during the financial year.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.5 Ethical standards

Principle 3 - Promote ethical and responsible decision making

The Board acknowledges the need for continued maintenance of the highest standard of corporate governance practice and ethical conduct by all Directors and employees of the Group.

Conflicts of Interest

In accordance with the Corporations Act 2001 and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant board papers and is not present at the meeting while the item is considered.

Code of Conduct for Directors

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision-making by the Directors. The code is based on a code of conduct for Directors prepared by the Australian Institute of Company Directors. A copy of the Directors' Code of Conduct is incorporated in the Board Charter and is available on the Company's website.

The principles of the code are:

- A Director must act honestly, in good faith and in the best interests of the Company as a whole.
- A Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A Director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- A Director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the Company.
- A Director must not make improper use of information acquired as a Director.
- A Director must not take improper advantage of the position of Director.
- A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
- A Director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken as a Board.
- Confidential information received by a Director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.
- A Director should not engage in conduct likely to bring discredit upon the Company.
- A Director has an obligation at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code.

The principles are supported by guidelines as set out by the Australian Institute of Company Directors for their interpretation. Directors are also obliged to comply with the Company's Employee Code of Business Conduct, as outlined below.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.5 Ethical standards (continued)

Employee Code of Business Conduct

The Employee Code of Business Conduct provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Group.

All employees and Directors are expected to:

- Respect the law and act in accordance with it;
- Respect confidentiality and not misuse Group information, assets or facilities;
- Value and maintain professionalism;
- Avoid real or perceived conflicts of interest;
- Act in the best interests of shareholders;
- By their actions contribute to the Group's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- Perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- Exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- Act with honesty, integrity, decency and responsibility at all times.

An employee or Director that breaches the Employee Code of Business Conduct may face disciplinary action. If an employee or Director suspects that a breach of the Employee Code of Business Conduct has occurred or will occur, he or she must report that breach to management. No employee or Director will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

Trading in general Company securities by Directors and employees

The Group's Securities Trading Policy imposes trading restrictions on when KMP and other employees of the Group may deal in the Company's securities, in order to reduce the risk of insider trading. A copy is available on the Company's website.

The Securities Trading Policy prohibits KMP and other employees from dealing in the Company's securities if he or she has information that he or she knows, or ought to reasonably know, is inside information. 'Inside information' is information that is not generally available and if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's securities.

The Securities Trading Policy also provides prescribed closed periods during which KMP are prohibited from dealing in the Company's securities (subject to certain limited exceptions). The 'closed periods' are based around the release of material information including annual and half yearly results, quarterly cash flow reports, and results from feasibility studies, exploration and corporate activities.

In addition, if an employee (including a KMP) has information that he or she knows, or ought reasonably to know, is inside information, the employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to deal in the Company's securities or procure another person to deal in the Company's securities. This prohibition applies regardless of how the employee learns the information (e.g. even if the employee overhears it or is told in a social setting).

KMP must obtain written clearance from an approving officer at least 2 business days prior when a KMP intends to deal in Company securities. KMP must then notify the Company Secretary of any dealings in the Company's securities within 2 business days of such deal occurring.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.5 Ethical standards (continued)

Interests of Other Stakeholders

The Group's objective is to leverage into oil and gas projects to provide a solid base in the future from which the Group can build its oil and gas business and create wealth for shareholders. The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Group to achieve.

To assist in meeting its objective, the Group conducts its business within the Code of Ethics and Conduct, as outlined above.

4.6 Communication with shareholders

Principle 5 – Make timely and balanced disclosure and Principle 6 – Respect the rights of Shareholders

Continuous Disclosure to the Australian Securities Exchange ('ASX')

The Group's Continuous Disclosure Policy requires all executives and Directors to inform the Chairman or in their absence the Company Secretary of any potentially material information as soon as practicable after they become aware of that information. A copy is available on the Company's website.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

Information need not be disclosed if:

a) It is not material and a reasonable person would not expect the information to be disclosed, or it is material but due to a specific valid commercial reason is not to be disclosed; and

b) The information is confidential; or

c) One of the following applies:

    i. It would breach a law or regulation to disclose the information;

    ii. The information concerns an incomplete proposal or negotiation;

    iii. The information comprises matters of supposition or is insufficiently definite to warrant disclosure;

    iv. The information is generated for internal management purposes;

    v. The information is a trade secret;

    vi. It would breach a material term of an agreement, to which the Group is a party, to disclose the information;

    vii. The information is scientific data that release of which may benefit the Group's potential competitors.

The Chairman is responsible for interpreting and monitoring the Group's disclosure policy and where necessary informing the Board. The Company Secretary is responsible for all communications with ASX.

4. CORPORATE GOVERNANCE STATEMENTS (continued)

4.6 Communication with shareholders (continued)

Communication with Shareholders

The Group places considerable importance on effective communications with shareholders.

The Group's communication strategy requires communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Group. The strategy provides for the use of systems that ensure a regular and timely release of information about the Group is provided to shareholders. Mechanisms employed include:

- Announcements lodged with ASX;
- ASX Quarterly Cash Flow Reports;
- Half Yearly Report;
- Presentations at the Annual General Meeting/General Meetings; and
- Annual Report.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Group's strategy and goals.

The Group also posts all reports, ASX and media releases and copies of significant business presentations on the Company's website.

4.7 Diversity

Principle 3 – Promote ethical and responsible decision making

Since the Company does not have a significant staff size, the Board as a whole is responsible for ensuring that diversity principles are considered in matters of staff selection and in ensuring that all legislation promoting gender and ethnic diversity and equal opportunity are observed. As the Company grows and staff numbers increase the Board will set measurable objectives for the promotion of diversity within its Board and staff.

5. 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.

6. OPERATING AND FINANCIAL REVIEW

The Group's primary focus during the year was on the interpretation of 2D seismic data shot over an area of the Group's Namibian Project.

In addition, during the year the Group sold its Eagle Ford production assets.

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 kilometres and is located in offshore Namibia in water depths ranging from 1,300 metres to 3,000 metres (Refer Figure 1).

Global has fulfilled its work obligations regarding the Licence to the end of calendar year 2014. This involved reinterpretation 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 new data confirmed the presence of two large structures and other potential leads.

Global's Exploration Manager, Chris Lewis, completed a review of all 2D data purchased or acquired by the Company on the two blocks covered by the licence and his findings published during the period confirmed that the structural prospects identified are both anticipated to contain a thick, Albian to Aptian age, carbonate reservoir within a fault controlled trap, sealed by overlying deep marine shales. These carbonates were penetrated in two nearby wells drilled during the 1990s and had a gross reservoir thickness of some two hundred metres. Adjacent to the prospects is a deep graben, thought to contain source rocks that have generated hydrocarbons. Within, or close to, the blocks there are oil slicks on the ocean surface, hydrocarbons recovered from seabed cores, evidence of hydrocarbons on 2D seismic and oil and gas shows in a nearby well, which all provide positive evidence for the generation and migration of hydrocarbons. Therefore there is an indication of a working petroleum system in this part of the Walvis Basin. Current internal estimates of mean prospective resources for each prospect are greater than one billion barrels of recoverable oil.

Landward of the structural prospects, sedimentary features are clearly visible on the seismic data showing the potential for the development of sandstone reservoirs within stratigraphic traps. A large Late Cretaceous delta is clearly evident from seismic, which will provide the source of significant volumes of sand, confirmed by the sandstones intersected in nearby wells and in the Tapir South well. Several stratigraphic leads have been mapped, along two independent fairways, with the potential to contain significant resources.

Given Global's large equity in the Licence, the Board decided to seek a partner for the next phases of exploration activity on its acreage, commencing with 3D seismic. Following Mr Lewis' full review of all 2D seismic information, a data room was established in London and prospective farminees were invited to review the complete data sets.

During this period HRT Participaõ̃es em Petróleo S.A. ("HRT") announced results from its first exploration well drilled in the Walvis Basin, Wingat-1, which confirmed that the well encountered two different organic rich source rocks and for the first time the presence of a source rock actively generating oil in the Walvis Basin. Additionally, four oil samples of light grade oil were recovered from Wingat-1. HRT also announced the results of its second exploration well, Murombe-1, located in Petroleum Licence 23 in the Walvis Basin. The main objective of the well was to test the resource potential of the Murombe basin fan system. Global notes the further occurrence of an Aptian marine source in Murombe-1 as well as in Wingat-1.

Potential farminees to the Company's acreage have effectively been awaiting the results of the two HRT wells. Of the two wells drilled in the Walvis Basin by HRT, Global regards Wingat-1 as being the more significant in that liquid hydrocarbons were recovered from the Aptian interval, establishing for the first time the presence of a source rock actively generating oil in the Walvis Basin. Global believes the upstream oil and gas industry shares this view, and accordingly it will re-launch the farmout by giving a mandate to a specialist M&A adviser to assist in marketing its two Namibian blocks with a view to identifying suitable joint venturers to advance exploration on the blocks, to which Global remains committed.

6. OPERATING AND FINANCIAL REVIEW (continued)

Namibian Project (continued)

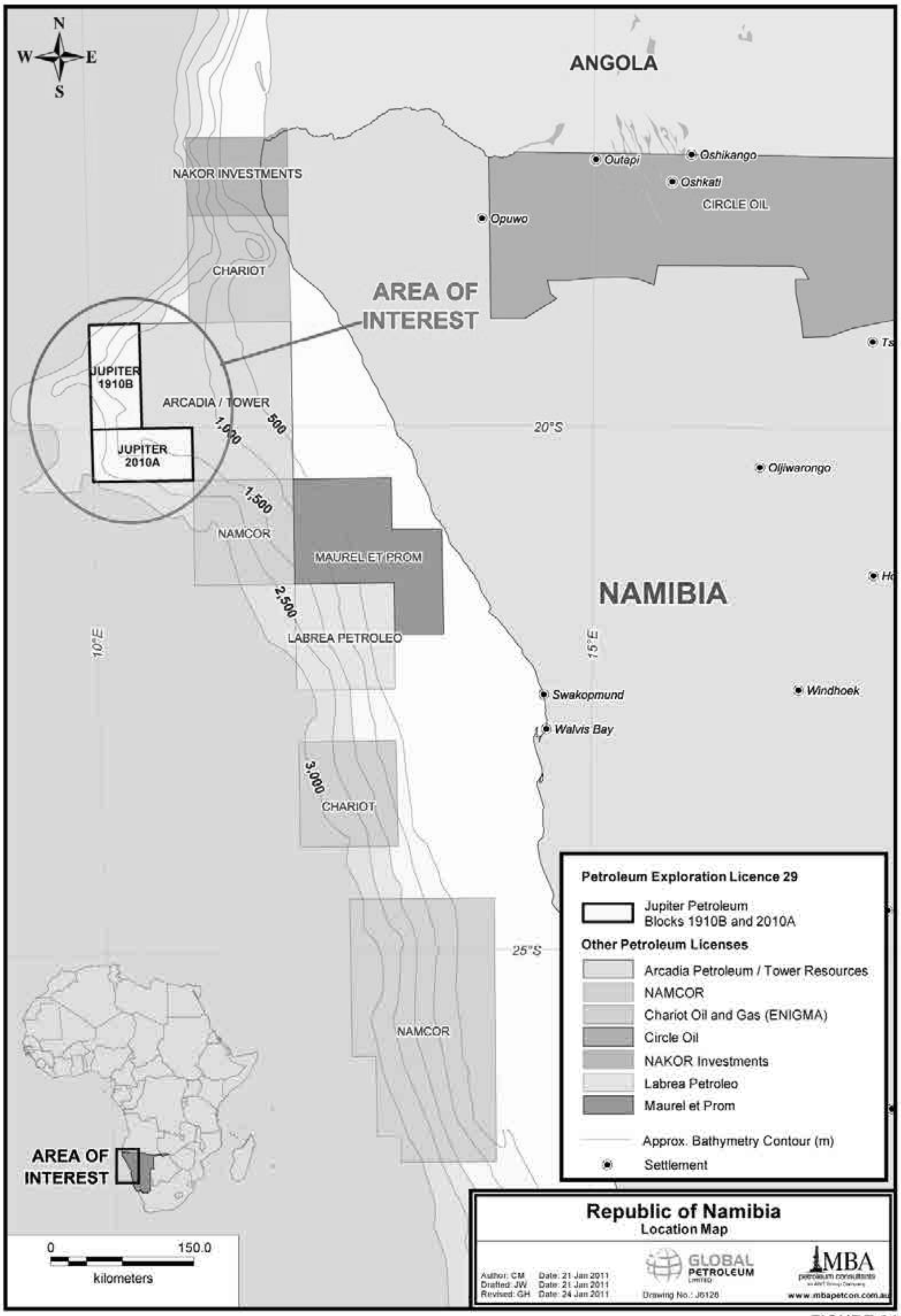

FIGURE 01

6. OPERATING AND FINANCIAL REVIEW (continued)

Juan de Nova Project

Jupiter Juan de Nova Limited (a subsidiary of Global) has a 30% interest in the Juan de Nova Est 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 (refer to Figure 2 below).

The permit lies within the exclusive economic zone surrounding Juan de Nova which is under French control.

Water depths range from 200 metres to approximately 1,500 metres, with at least half of the permit lying in shallow water on the continental shelf of the island of Madagascar. The shallow water shelf area is probably underlain by late Paleozic and early Mesozoic rocks, mainly sandstone and shales with interbedded volcanics, while the deeper water areas are probably underlain by younger rocks of late Mesozoic and Tertiary age, whose lithology is unknown.

No systematic petroleum exploration has taken place around Juan de Nova and this area is considered to be a frontier province. However, Global's Directors and management team consider the Company's Juan de Nova acreage to be an additional potentially prospective play, and are encouraged by the level of interest being shown in the area, following both the significant gas discoveries made in offshore Mozambique, and the acquisition of acreage by large oil companies offshore Madagascar.

The current term of the exploration permit runs to 31 December 2013 with three phases of exploration and a production period of 25 years for any discovery made.

A petroleum systems review, including reprocessing of historic 2D seismic data, was completed earlier in 2013. Results appear to show a thick, potentially prospective stratigraphic section in deep water in both the northern and southern triangles of the block which are encouraging enough to justify renewal. Accordingly, an application by the joint venture partners to renew approximately 4,500 square kilometres (50% of the existing permit area) of the Juan de Nova Est permit was submitted to the French authorities on 28 August 2013 (post the Reporting Period). It is anticipated that the renewal process may take several months.

Under the terms of the existing permit, Wessex is the operator and has a beneficial interest of 70%. There was insufficient time to convert this beneficial interest into full legal title to the permit prior to the deadline for the permit renewal, and so Wessex is unable legally to participate in the renewal process. However, Global holds a full legal interest in the permit through its wholly owned subsidiary Jupiter Petroleum Juan de Nova Ltd ("Jupiter"), and Jupiter has therefore applied for renewal as a 100% interest holder and Operator. Alongside the permit renewal application, a new joint venture agreement has been signed with Wessex giving Wessex the right to apply to the relevant French authorities to take legal title to a 50% legal working interest, in the event that the renewal is successful.

6. OPERATING AND FINANCIAL REVIEW (continued)

Juan de Nova Project (Continued)

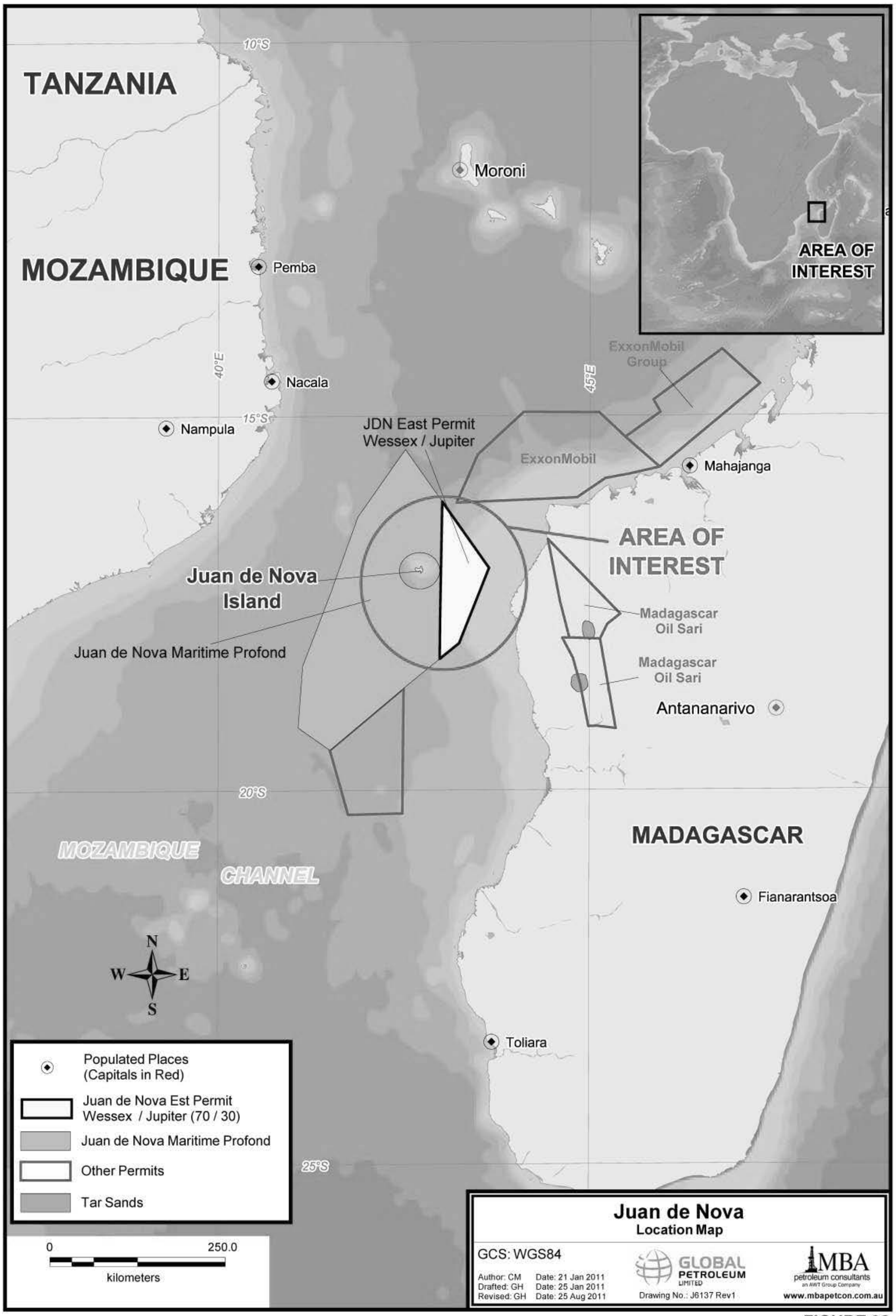

FIGURE 02

6. OPERATING AND FINANCIAL REVIEW (continued)

Eagle Ford Shale Project (Discontinued operations)

In line with Global's strategy to focus on frontier exploration areas in Africa, a purchaser was found for its remaining US asset. During the reporting period Global completed the sale for a cash consideration of US$510,000 prior to adjustments.

Business Development

The Board continues to review opportunities for acquisitions, joint ventures or investments in the upstream petroleum sector, which may enhance shareholder value. The Company continues to evaluate a number of new opportunities.

Results of operations

	2013 $	2012 $
Loss from continuing operations before tax	(777,253)	(1,537,902)
Income tax benefit (expense)	-	-
Profit (loss) from discontinued operation (net of tax)	(510,811)	1,100,650
Net profit (loss)	**(1,288,064)**	**(437,252)**

The results of the Consolidated Entity include revenue from oil and gas sales of $180,931 (2012: $1,612,342) and interest income of $780,705 (2012: $877,527). Following the Group's decision to discontinue its operations in the Leighton Project (Olmos and EFS oil and gas production wells and associated licences) via a sales process, the results of the Group have been split to show the continuing and discontinuing operations.

Review of financial condition

As at 30 June 2013 the Group had cash of $22,113,332 (2012: $24,329,070).

The Board continues to review opportunities for other acquisitions, joint ventures, or investments in the resources sector, both domestic and overseas, which may enhance shareholder value.

7. EVENTS SUBSEQUENT TO REPORTING DATE

As at the date of this report, there are no matters or circumstances which have arisen since 30 June 2013 that have significantly affected or may significantly affect:

(i) the operations, in financial years subsequent to 30 June 2013 of the Consolidated Entity;
(ii) the results of those operations, in financials years subsequent to 30 June 2013 of the Consolidated Entity; or
(iii) the state of affairs, in financial years subsequent to 30 June 2013 of the Consolidated Entity.

As indicated in Section 1, Dr Arnott resigned as a Director on 16 July 2013.

8. 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 mineral exploration, particularly 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.

9. 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]**
Dr R Arnott[3]	-	1,000,000
Mr M Savage	2,225,000	-
Mr P Hill	180,000	6,000,000
Mr P Blakey	41,011,761	-
Mr P Taylor	42,768,327	-
Mr P Dighton	40,000	300,000
Mr D Cronin	-	-

Notes

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

(2) Incentive options means one unlisted option exercisable at various amounts and dates – see below.

(3) Dr Arnott was appointed as a Director on 4 October 2012. Dr Arnott was granted the following options:

a. 250,000 incentive options exercisable at A$0.25 each on or before 1 April 2015, vesting on 1 April 2013;
b. 290,000 incentive options exercisable at A$0.30 each on or before 1 October 2015, vesting on 1 October 2013;
c. 290,000 incentive options exercisable at A$0.35 each on or before 1 April 2016, vesting on 1 April 2014; and
d. 170,000 incentive options exercisable at A$0.45 each on or before 1 October 2014, vesting on 1 October 2016.

He resigned on 16 July, 2013 and the options in parts b,c and d (total 750,000) have lapsed as at 16 July 2013.

10. SHARE OPTIONS

On 4 October 2012 the Company granted 3,000,000 incentive options, 1,000,000 of these were granted to Dr R Arnott and the remaining to a key employee of the Company. Details of conditions set out in notes 4.3.2 and 9 above.

On 19 August 2011, the Company granted 400,000 incentive options exercisable at $0.25 each on or before 30 June 2014. 300,000 of these were granted to Mr C McGhie and the remaining 100,000 were granted to a key consultant employed by a related party company, who provides administrative and accounting assistance to the Group.

On 29 November 2011, the Company granted Mr Hill 6,000,000 incentive options as set out in note 9 above.

On 31 December 2011, Mr Dighton was granted 300,000 incentive options excisable at $0.25 each on or before 30 June 2014.

Since 30 June 2012, no shares have been issued as a result of the exercise of options.

Refer to note 4.3.3.1 for full disclosure.

11. 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 involves 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	**2013**	**2012**
Auditors of the group – KPMG	102,437	50,090
Services other than statutory audit - KPMG		
Taxation advice	48,500	39,200

12. 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 $14,256 (2012: $21,510) was paid by the Group, covering the period from 17 September 2012 to 16 September 2013 (6 December 2011 to 6 December 2012), to insure against a liability incurred by a person who is or has been a Director or officer of the Company or Group. The insurance policy does not contain details of the premiums paid in respect of individual officers of the Company.

13. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on Page 27, and forms part of the Directors' Report for the financial year ended 30 June 2013.

14. 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

23rd day of September 2013

KPMG

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

To: the directors of Global Petroleum Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Robert S Jones

Robert S Jones
Partner

Brisbane

23 September 2013

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Financial Position

As at 30 June 2013

	Notes	2013 $	2012 $
Assets			
Cash and cash equivalents	16	22,113,332	24,329,070
Trade and other receivables	14	180,280	256,769
Prepayments		172,496	59,304
Oil and gas assets held for sale	15	-	1,323,176
Current tax receivable	13	173,126	-
Total current assets		**22,639,234**	**25,968,319**
Plant and equipment	10	25,165	-
Oil and gas assets	11	-	-
Exploration assets	12	9,893,158	9,081,020
Total non-current assets		**9,918,323**	**9,081,020**
TOTAL ASSETS		**32,557,557**	**35,049,339**
Liabilities			
Trade and other payables	21	437,899	615,936
Current tax payable	13	-	1,678,542
Provisions	22	53,316	23,579
Oil and gas liabilities held for sale	15	-	15,996
Total current liabilities		**491,215**	**2,334,053**
Provisions	22	-	-
Deferred tax liability	13	-	262,857
Total non-current liabilities		**-**	**262,857**
TOTAL LIABILITIES		**491,215**	**2,596,910**
NET ASSETS		**32,066,342**	**32,452,429**
Equity			
Share capital	18	41,574,956	41,574,956
Reserves	18	1,028,085	126,108
Accumulated losses	18	(10,536,699)	(9,248,635)
TOTAL EQUITY		**32,066,342**	**32,452,429**

The notes on pages 34 to 78 are an integral part of these consolidated financial statements

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Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended 30 June 2013

	Notes	2013 $	2012 $
Continuing operations			
Salaries and employee benefits expense		(1,023,663)	(567,387)
Administrative expenses		(1,406,281)	(975,262)
Other expenses	9	(396,863)	(599,007)
Foreign exchange gain (loss)		75,494	143,469
Equity based remuneration		(219,298)	(417,242)
Results from operating activities before income tax		**(2,970,611)**	**(2,415,429)**
Finance income	8	780,705	877,527
Finance costs		-	-
Net finance income		**780,705**	**877,527**
Profit (loss) from continuing operations before tax		**(2,189,906)**	**(1,537,902)**
Income tax benefit (expense)	13	1,412,653	-
Profit (loss) from continuing operations after tax		**(777,253)**	**(1,537,902)**
Discontinued operations			
Profit (loss) from discontinued operations (net of tax)	6	(510,811)	1,100,650
Profit (loss) for the year		**(1,288,064)**	**(437,252)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences – foreign operations	18	682,679	128,235
Other comprehensive income (loss) for the year, net of tax		**682,679**	**128,235**
Total comprehensive income (loss) for the year		**(605,385)**	**(309,017)**
Earnings per share			
Basic earnings (loss) per share (cents)	19	(0.646)	(0.224)
Diluted earnings (loss) per share (cents)	19	(0.646)	(0.224)
Earnings per share – continuing operations			
Basic earnings (loss) per share (cents)	19	(0.390)	(0.786)
Diluted earnings (loss) per share (cents)	19	(0.390)	(0.786)

The notes on pages 34 to 78 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

	Attributable to owners of the Company				
	Share Capital	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$
2012					
Balance at 1 July 2011	35,590,053	-	(419,369)	(8,811,383)	26,359,301
Issue of new shares	5,984,903	-	-	-	5,984,903
Issue of options	-	417,242	-	-	417,242
Total comprehensive profit (loss) for the year:					
Profit (loss) for the year	-	-	-	(437,252)	(437,252)
Other comprehensive profit (loss) for the year:					
Foreign currency translation differences	-	-	128,235	-	128,235
Total comprehensive income (loss) for the year	-	-	128,235	(437,252)	(309,017)
Balance at 30 June 2012	**41,574,956**	**417,242**	**(291,134)**	**(9,248,635)**	**32,452,429**
2013					
Balance at 1 July 2012	41,574,956	417,242	(291,134)	(9,248,635)	32,452,429
Issue of new shares	-	-	-	-	-
Issue of options	-	219,298	-	-	219,298
Total comprehensive profit (loss) for the year:					
Profit (loss) for the year	-	-	-	(1,288,064)	(1,288,064)
Other comprehensive profit (loss) for the year:					
Foreign currency translation differences	-	-	682,679	-	682,679
Total comprehensive income (loss) for the year	-	-	682,679	(1,288,064)	(605,385)
Balance at 30 June 2013	**41,574,956**	**636,540**	**391,545**	**(10,536,699)**	**32,066,342**

Amounts are stated net of tax

The notes on pages 34 to 78 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2013

	Notes	2013 $	2012 $
Cash flows from operating activities			
Oil and gas revenue received		-	-
Cash paid to suppliers and employees		(2,836,319)	(1,908,405)
Interest received		789,210	773,441
GST refunds received		2,216	(9,868)
Net cash from (used in) operating activities of discontinued operations	6	(68,970)	1,581,602
Net cash from (used in) operating activities	17	**(2,113,863)**	**436,770**
Cash flows from investing activities			
Exploration and oil and gas assets expenditure		(983,771)	(2,430,445)
Cash on acquisition of Jupiter Petroleum Limited		-	138,518
Acquisition of plant and equipment	10	(27,352)	-
Payment for acquisition of Jupiter Petroleum Limited		-	(411,414)
Net cash from (used in) investing activities of discontinued operations	6	491,967	1,009,488
Net cash from (used in) investing activities		**(519,156)**	**(1,693,853)**
Net decrease in cash and cash equivalents		(2,633,019)	(1,257,083)
Cash and cash equivalents at 1 July		24,329,070	25,317,051
Effects of exchange rate fluctuations on cash and cash equivalents		417,281	269,102
Cash and cash equivalents at 30 June	16	**22,113,332**	**24,329,070**

The notes on pages 34 to 78 are an integral part of these consolidated financial statements.

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GLOBAL PETROLEUM LIMITED

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1. REPORTING ENTITY

Global Petroleum Limited ("Global") 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 and the London Stock Exchange (AIM). The consolidated financial statements of the Company as at and for the twelve months ended 30 June 2013 comprises the Company and its controlled entities (together referred to as the "Group"). The Group is a for-profit entity and is primarily is 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 2013 is 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 23rd day of September 2013.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates.

The consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional and presentation currency.

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 13 – Taxes
- Note 23 – Provisions
- Note 12 – Exploration and evaluation expenditure

2.5 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

2. BASIS OF PREPARATION (continued)

2.5 New standards and interpretations not yet adopted (continued)

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below. (a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria. (b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2015	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2015
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	These amendments arise from the issuance of AASB 9 Financial Instruments that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the International Accounting Standards Board's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This Standard shall be applied when AASB 9 is applied – *with the exception of AASB 101 which was applied on 1 July 2012.*	1 January 2015	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2015
AASB 10	Consolidated Financial Statements	This Standard establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report	1 July 2013

2. BASIS OF PREPARATION (continued)

2.5 New standards and interpretations not yet adopted (continued)

Reference	Title	Summary	Application Date of Standard	Impact on Group Financial Report	Application Date for Group
AASB 11	Joint Arrangements	This Standard establishes the principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	This Standard requires an entity to disclose information that enables users of its financial statements to evaluate: a) The nature of, and risks associated with, its interests in other entities; and b) The effects of those interests on its financial position, financial performance and cash flows.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 13	Fair Value Measurement	This Standard provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are required or permitted by other AASBs.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report.	1 July 2013
AASB 119	Employee Benefits	AASB 119 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. For defined benefit plans, removal of the accounting policy choice for recognition of actuarial gains and losses is not expected to have any impact on the Group.	1 January 2013	These amendments are not expected to have any significant impact on the Group's financial report	

2.6 New and amended standards adopted by the Group

Presentation of transactions recognised in the other comprehensive income
From 1 July 2012 the Group applied amendments to AASB 101 *Presentation of Financial Statements* outlined in AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the statement of profit or loss and other comprehensive income.

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 2013.The accounting policies are stated to assist in a general understanding of the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2013 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

Joint venture operations

The interests of the Group in unincorporated joint ventures are brought to account by recognising in its financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 at year-end exchange rates prevailing at that reporting date;

(ii) income and expenses are translated at the date of transaction. For practical reasons, a rate that approximates the exchange rate at the date of the transaction is used, for example average exchange rate for the period; and

(iii) retained earnings are translated at the exchange rates prevailing at the date of the transaction.

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 and Loss and Other Comprehensive Income in the period in which the operation is disposed.

3.3 Financial instruments

The Group classifies its investments in the following category: loans and receivables. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date. The classification depends on the purpose for which the investments 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. 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. SIGNIFICANT ACCOUNTING POLICES (continued)

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.

3.6 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.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Impairment (continued)

Financial assets (continued)

All impairment losses are recognised in the Consolidated Statement of 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 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 twelve 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.

Site restoration

Provisions made for environmental rehabilitation are recognised where there is a present obligation as a result of exploration, development or production activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning wells and restoring the affected area. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the reporting period. The amount of the provision for future restoration costs relating to exploration and development activities is capitalised as a cost of those activities.

3.10 Revenue

Sale of oil and gas

Revenue from the sale of oil and gas is recognised when the significant risks and rewards of ownership have transferred to the buyer and can be measured reliably. Delivery of gas is by pipeline and sales contracts define the point of transfer of ownership.

3.11 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Tax (continued)

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.

3.12 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.

3.13 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 Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

3.14 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.

3.15 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.

3.16 Fair value estimation

The fair value of financial instruments in the Group is based on 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 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.

3.18 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.

3.19 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.

3.20 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.

3.21 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.

3.22 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

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.

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 excise 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:

Continuing operations

Africa – On the 26th 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 and offshore Juan de Nova, a French dependency, in the Mozambique Channel.

Discontinued operations

America – On 11th June 2013, the Group sold its interest in the Eagle Ford oil and gas production operations and related leases.

On 27th February 2012, the Group sold its interest in the Olmos production wells and related leases – part of the Leighton Project.

5 SEGMENT INFORMATION (continued)

(a) Segment revenues and results

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

	Africa		USA (discontinued)		Consolidated	
	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $
Segment revenue						
External revenue [1]	-	-	180,931	1,612,342	180,931	1,612,342
Total revenue	**-**	**-**	**180,931**	**1,612,342**	**180,931**	**1,612,342**
Segment results						
Segment result	-	4,563	(26,160)	584,478	(26,160)	589,041
Gain from sale of asset	-	-	(915,791)	624,659	(915,791)	624,659
	-	**4,563**	**(941,951)**	**1,209,137**	**(941,951)**	**1,213,700**
Interest income					780,705	877,527
Net foreign exchange gain (loss)					75,494	138,906
Corporate and administration costs					(2,815,933)	(2,141,656)
Equity based remuneration					(219,298)	(417,242)
Profit (loss) before income tax					**(3,120,983)**	**(328,765)**
Income tax (expense) benefit for continuing operations					1,401,779[2]	-
Income tax (expense) benefit for discontinued operations					431,140	(108,487)
Profit (loss) for the year					**(1,288,064)**	**(437,252)**
Amortisation of oil and gas assets	-	-	86,057	653,621	86,057	653,621

[1] Major Customer – Revenues from one customer of the USA Segment represents 100% of the Group's revenue (2012: 100%)

[2] Write back of tax provision. – Note 13

5 SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

	Africa		USA (discontinued)		Consolidated	
	2013	2012	2013	2012	2013	2012
	$	$	$	$	$	$
Segment assets						
Assets (*)	9,893,158	9,081,020	-	1,435,750	9,893,158	10,516,770
Total segment assets	**9,893,158**	**9,081,020**	**-**	**1,435,750**	**9,893,158**	**10,516,770**
Unallocated assets (*)					22,664,399	24,532,569
Consolidated assets					**32,557,557**	**35,049,339**
Segment liabilities						
Liabilities	-	397,675	-	539,690	-	937,365
Total segment liabilities	**-**	**397,675**	**-**	**539,690**	**-**	**937,365**
Unallocated liabilities					491,215	1,659,545
Consolidated liabilities					**491,215**	**2,596,910**
Acquisition of non-current assets, including capitalised exploration assets	527,569	9,081,020	-	1,552,034	527,569	10,633,054

(*) Included in assets and unallocated assets are the following non-current assets: Africa $9,893,158 (2012: $9,081,020), unallocated assets $25,165 (2012: Nil)

6. DISCONTINUED OPERATIONS

Oil and gas production wells and licences

On 11 June 2013, the Group sold its interest in the Eagle Ford oil and gas production operations and related leases.

On 27 February 2012, the Group sold its interest in the Olmos production wells and related lease which formed part of the Leighton Project.

Results from discontinued operations

	Note	2013 $	2012 $
Revenue		180,931	1,612,342
Cost of sales		(106,717)	(358,524)
Administration		(14,316)	(15,719)
Amortisation		(86,057)	(653,621)
Results from discontinued operating activities		**(26,159)**	**584,478**
Income tax benefit (expense)	13	173,126	152,723
Results from discontinued operating activities after tax		**146,967**	**737,201**
Gain (loss) on sale of discontinued operation		(915,792)	624,659
Income tax benefit (expense)		258,014	(261,210)
Profit (loss) for the year		**(510,811)**	**1,100,650**

The (loss) profit from the discontinued operations of ($510,811), (2012: $1,100,650) is entirely attributable to the owners of the Company.

Earnings per share of discontinued operations

	2013 Cents per share	2012 Cents per share
Basic earnings per share	(0.256)	0.563
Diluted earnings per share	(0.256)	0.563

6. DISCONTINUED OPERATIONS (continued)

Cash flows from (used in) discontinued operations

	Notes	2013 $	2012 $
Cash flows from operating activities			
Oil and gas revenue received		343,367	1,962,723
Cash paid to suppliers and employees		(416,914)	(382,850)
Interest received		4,577	1,729
Net cash from (used in) operating activities		**(68,970)**	**1,581,602**
Cash flows from investing activities			
Exploration and oil and gas assets expenditure		-	(1,630,242)
Proceeds from sale of exploration assets		491,967	2,639,730
Net cash from (used in) investing activities		**491,967**	**1,009,488**
Cash flows from financing activities			
Loans		-	190,782
Net cash from financing activities		**-**	**190,782**

Effect of discontinued operations on the financial position of the Group

Following the sale of the Eagle Ford oil and gas production operations and related leases the Group received net cash proceeds of $470,445. Following the Olmos oil and gas production wells and associated licences, the group received cash net proceeds of $2,639,730 in 2012 and a further amount of $21,522 in 2013 following completion of closing statement.

7. REVENUE

	Continuing operations		Discontinued operations		Total	
	2013 $	2012 $	2013 $	2012 $	2013 $	2012 $
Oil and gas revenue	-	-	180,931	1,612,342	180,931	1,612,342

8. FINANCE INCOME

	2013 $	2012 $
Interest income	780,705	877,527

9. OTHER EXPENSES

	2013 $	2012 $
Consulting and professional fees	281,793	401,421
Business development	115,070	197,586
	396,863	599,007

10. PLANT AND EQUIPMENT

	2013 $	2012 $
Cost	**Fixtures and Fittings**	
Balance at 1 July 2012	-	-
Additions	27,353	-
Balance at 30 June 2013	27,353	-
Accumulated Depreciation		
Balance at 1 July 2012	-	-
Depreciation for the year	2,188	-
Balance at 30 June 2013	2,188	-
Carrying amount at 30 June	25,165	-

11. OIL AND GAS ASSETS

	Notes	2013 $	2012 $
Cost at beginning of year		-	3,544,713
Accumulated amortisation at beginning of year		-	(1,143,296)
Carrying amount at beginning of year		-	2,401,417
Expenditure capitalised during the year		-	1,552,034
Assets re-classified as held for sale	15	-	(1,323,176)
Asset sold during the year		-	(2,015,071)
Foreign currency movement		-	38,417
Amortisation*		-	(653,621)
Carrying amount at end of year		**-**	**-**

* Amortisation is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in 'discontinued operations'

12. EXPLORATION ASSETS

	2013 $	2012 $
Carrying amount at beginning of year	9,081,020	-
Exploration licences acquired on acquisition of Jupiter Petroleum Limited	-	7,580,310
Expenditure incurred and capitalised during the period	527,569	1,528,363
Foreign currency movement	284,569	(27,653)
Carrying amount at end of year	9,893,158	**9,081,020**

During the year, the Group also incurred exploration and evaluation expenditure of $115,070 (2012: $197,586) which has been expensed as it did not meet the criteria for recognition as exploration assets under the Group's accounting policy. (Ref: Note 3.4)

On 26 August 2011, the Group completed the acquisition of Jupiter Petroleum Limited ("Jupiter"), a UK registered Company, which holds prospective oil and gas exploration interests in offshore Namibia and in offshore Juan de Nova, a French dependency in the Mozambique Channel.

The transaction is an acquisition of exploration assets and is accordingly recorded at the cost of acquisition which is comprised as follows:

12. EXPLORATION ASSETS (continued)

Consideration	$
Issue of 25,000,000 Ordinary Shares on 26 August 2011[1]	5,984,903
Cash [2]	411,414
Settlement of pre-existing relationships [3]	1,183,993
Cost of acquisition of Jupiter exploration interests	7,580,310

Notes

(1) In consideration for the acquisition of 100% of the issued capital of Jupiter, Global issued Mr Peter Blakey and Mr Peter Taylor (Vendors) 25 million fully paid ordinary shares. The consideration shares were subject to a 12 month holding lock at the issuing share register which expired on 27 August 2012. The Vendors are also Directors of Global. The transaction was conducted at arm's length and was approved by the shareholders on 26th August 2011. The shares have been recorded at market value at the date of issue; and

(2) As part of the acquisition, the Company has also reimbursed the Vendors for costs incurred in connection with obtaining the licence and other reasonable costs in connection with the agreement totalling approximately £272,000 (A$411,414).

(3) Part of the acquisition amounts loaned to Jupiter were settled as part of the acquisition consideration.

13. TAXES

	2013 $	2012 $
Recognised in the Statement of Profit or Loss and Other Comprehensive income		
Current tax (benefit) expense of continuing operations		
Current year	(335,937)	(615,226)
Adjustments in respect of current income tax for previous years	(1,412,653)	-
	(1,748,590)	(615,226)
Deferred tax (benefit) expense of continuing operations		
Origination and reversal of temporary differences	133,399	-
Deferred tax assets not brought to account	202,538	615,226
	335,937	615,226
Total income tax (benefit) expense in the Statement of Profit or Loss and Other Comprehensive Income	**(1,412,653)**	**-**

13. TAXES (continued)

	2013 $	2012 $
Reconciliation between profit (loss) before tax and tax expense		
Profit (loss) of continuing operations before tax expense	(2,189,906)	(1,537,902)
Prima facie tax expense (benefit) at 30% (2012: 30%)	(656,972)	(461,370)
Increase (decrease) in income tax expense due to:		
Income assessable for income tax purposes	260,519	-
Expenditure not allowable for income tax purposes	192,206	(143,978)
Release of provision for tax from prior years	(1,412,653)	-
Change in recognised deductable temporary differences	-	6,210
Adjustment for different tax rates of subsidiaries operating in other jurisdictions	1,709	(2,511)
Foreign exchange	-	(13,577)
Tax benefit not brought to account	202,538	615,226
Income tax (benefit) expense on pre-tax net profit (loss)	**(1,412,653)**	**-**

Current tax payable

	2013 $	2012 $
Opening balance of tax payable	1,678,542	1,398,319
Income tax expense (benefit) for the year - continuing operations	(1,412,653)	-
Income tax expense (benefit) for the year - discontinuing operations	(173,126)	261,210
Foreign exchange movement	(265,889)	19,013
Closing balance of tax payable	**(173,126)**	**1,678,542**

During the year, Global established that the provision held for tax payable amounting to $1,412,653 as a result of the Kenyan settlement proceeds received by Star Petroleum International (Kenya) limited, a wholly owned subsidiary of Global, is not assessable in Australia, Kenya or the United Kingdom. As such the provision has been reversed in the accounts – resulting in an increase in profit of $1,412,653.

13. TAXES (continued)

Deferred income tax

	2013 $	2012 $
Deferred tax assets		
Accrued expenses	48,095	14,520
Tax losses available to offset future taxable income	463,204	1,087,019
Deferred tax assets used to offset deferred tax liabilities	(178,427)	-
Tax benefit not brought to account	(332,871)	(1,101,539)
	-	-
Deferred tax liabilities		
Other items	34,218	-
Exploration and evaluation assets	-	262,857
Foreign exchange	144,209	
Deferred tax assets used to offset deferred tax liabilities	(178,427)	-
	-	**262,857**

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 $1,544,013 (2012: $3,623,397).

14. TRADE AND OTHER RECEIVABLES

	Notes	2013 $	2012 $
Current			
Oil and gas revenue receivable		-	82,215
Other receivables		180,280	166,278
Other receivables due from related parties		-	8,276
		180,280	**256,769**

15. ASSETS HELD FOR SALE

	Notes	2013 $	2012 $
Current Assets			
Assets held for sale – Oil and Gas production wells and related leases	11	-	1,323,176
Current Liabilities			
Liabilities held for sale - restoration provision	22	-	15,996

The Eagle Ford oil and gas production well and associated licenses, part of the Leighton Project, was presented as an asset held for sale following the Group's decision on 27th February 2012 to dispose of its remaining interests in the Leighton Project. The Group sold the asset on 11 June 2013.

The liability for the "plug and abandon" restoration provision for the Eagle Ford wells are no longer be required following the sale of the asset.

16. CASH AND CASH EQUIVALENTS

	Notes	2013 $	2012 $
Cash at bank and on hand		5,285,145	8,755,452
Term deposits		16,828,187	15,573,618
Cash and cash equivalents in the statement of cash flows		**22,113,332**	**24,329,070**

17. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2013 $	2012 $
Cash flows from operating activities		
Profit (loss) for the year	(1,288,064)	(437,252)
Adjustments for items classified as investing/financing activities:	115,069	244,707
Adjustments for non-cash items:		
Income tax expense	(403,499)	108,487
Loss (gain) on sale of oil and gas asset	915,791	(624,659)
Amortisation in discontinued operation	86,057	653,621
Depreciation of fixtures and fittings	2,188	-
Unrealised net foreign exchange (gain) loss	(75,494)	(143,469)
Equity based remuneration	219,298	417,242
Write back of tax provision	(1,412,653)	-
Changes in operating assets and liabilities, net of effects of purchase of controlled entities during the financial year:		
Decrease (increase) in receivables	(36,704)	221,443
(Decrease) increase in payables	27,536	(4,534)
(Decrease) increase in provisions	(262,857)	1,184
Net cash from (used in) operating activities	**2,113,332**	**436,770**

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.

18. CAPITAL AND RESERVES

	2013	2012	2013	2012
	Number of shares		$	$
Issued and paid up capital				
On issue at 1 July	**199,444,787**	**174,444,787**	**41,574,956**	**35,590,053**
Issued for purchase of Jupiter Petroleum Limited	**-**	**25,000,000**	**-**	**5,984,903**
On issue at 30 June	**199,444,787**	**199,444,787**	**41,574,956**	**41,574,956**

18. CAPITAL AND RESERVES (continued)

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 2 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.

18. CAPITAL AND RESERVES (continued)

Reserves

	2013 $	2012 $
Option reserve	636,540	417,242
Foreign currency translation reserve	391,545	(291,134)
Total Reserves	**1,028,085**	**126,108**

Options reserve

On 4 October 2012, the Company granted a total of 1,000,000 incentive options to a Director. A further 2,000,000 incentive options were issued to an employee of the Company. Total incentive options (3,000,000) had a fair value of $111,120. This fair value has been recognized as an expense over the vesting period of the options in accordance with accounting standards.

Option grant details:

a. 625,000 incentive options exercisable at A$0.25 each on or before 1 April 2015, vesting on 1 April 2013;
b. 725,000 incentive options exercisable at A$0.30 each on or before 1 October 2015, vesting on 1 October 2013;
c. 725,000 incentive options exercisable at A$0.35 each on or before 1 April 2016, vesting on 1 April 2014; and
d. 425,000 incentive options exercisable at A$0.45 each on or before 1 October 2016, vesting on 1 October 2014.

Supplementary option grant subject to vesting conditions:

i. 125,000 incentive options exercisable at A$0.25 each on or before 1 April 2015, vesting on 1 April 2013;
ii. 145,000 incentive options exercisable at A$0.30 each on or before 1 October 2015, vesting on 1 October 2013;
iii. 145,000 incentive options exercisable at A$0.35 each on or before 1 April 2016, vesting on 1 April 2014; and
iv. 85,000 incentive options exercisable at A$0.45 each on or before 1 October 2016, vesting on 1 October 2014.

On 19 August 2011, the Company granted a total of 400,000 incentive options to a Director and a key consultant of the Company (300,000 and 100,000 respectively). The incentive options vested on the 26th August 2011 and are exercisable at $0.25 each on or before 30 June 2014 and have been valued at $0.15 per option. The total fair value of the incentive options of $60,000 has been recognised as an expense in accordance with accounting standards.

On 29 November 2011, the Company granted a total of 6,000,000 incentive options to Mr P Hill, as detailed below, with a total fair value of $496,250. This fair value has been recognised as an expense over the vesting period of the options in accordance with accounting standards.

18. CAPITAL AND RESERVES (continued)

Options reserve (continued)

Option grant details:

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

The Company issued 300,000 incentive options to Mr P Dighton on 31 December 2011 (approved at AGM on 13 November 2012) exercisable at A$0.25 each on or before 30 June 2014.

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.

	2013 $	2012 $
Balance at 1 July	(291,134)	(419,369)
Foreign currency translation differences - foreign operations	682,679	128,235
Balance at 30 June	**391,545**	**(291,134)**

Accumulated losses

	2013 $	2012 $
Balance at 1 July	(9,248,635)	(8,811,383)
Loss for the year	(1,288,064)	(437,252)
Total accumulated (losses)	**(10,536,699)**	**(9,248,635)**

Dividends

No dividends have been declared, provided for or paid in respect of the years ended 30 June 2013 or 30 June 2012. 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 20.

19. EARNINGS PER SHARE

	2013 Cents per share	2012 Cents per share
Basic earnings (loss) per share	(0.646)	(0.224)
Diluted earnings (loss) per share	(0.646)	(0.224)
Earnings per share – continuing operations		
Basic earnings (loss) per share	(0.390)	(0.786)
Diluted earnings (loss) per share	(0.390)	(0.786)

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

	2013 $	2012 $
Net profit (loss) used in calculating basic and diluted earnings per share	**(1,288,064)**	**(437,252)**
Net profit (loss) used in calculating basic and diluted earnings per share – continuing operations	**(777,253)**	**(1,537,902)**

	Number of shares 2013	Number of shares 2012
Weighted average number of ordinary shares used in calculating basic earnings per share	199,444,787	195,619,650
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	**195,616,650**

20. SHARE BASED PAYMENTS

The following equity-settled share-based payments were issued during the financial year

	Number of Options	Grant date	Fair Value per option at grant date $	% Vested in Year	% Forfeited in year	Exercise date	Exercise Price $	Vesting date
Robert Arnott Director	250,000	4 October 2012	0.036	0	0	1 April 2015	0.25	1 April 2013
	290,000	4 October 2012	0.037	0	0	1 October 2015	0.30	1 October 2013
	290,000	4 October 2012	0.038	0	0	1 April 2016	0.35	1 April 2014
	170,000	4 October 2012	0.037	0	0	1 October 2016	0.45	1 October 2014
Chris Lewis Employee	375,000	4 October 2012	0.036	0	0	1 April 2015	0.25	1 April 2013
	435,000	4 October 2012	0.037	0	0	1 October 2015	0.30	1 October 2013
	435,000	4 October 2012	0.038	0	0	1 April 2016	0.35	1 April 2014
	255,000	4 October 2012	0.037	0	0	1 October 2016	0.45	1 October 2014
	*125,000	4 October 2012	0.036	0	0	1 April 2015	0.25	1 April 2013
	*145,000	4 October 2012	0.037	0	0	1 October 2015	0.30	1 October 2013
	*145,000	4 October 2012	0.038	0	0	1 April 2016	0.35	1 April 2014
	*85,000	4 October 2012	0.037	0	0	1 October 2016	0.45	1 October 2014

*Conditional upon the execution of a farm-out agreement for farm-down of the Company's interest in Namibia before 31 March 2013 – these conditions were not met and the options lapsed on 31 March 2013. On all other options, once the vesting date has been reached there are no exercise conditions attached.

The fair value of the options was determined using the Black Scholes option pricing model and the Binomial options pricing model. The total expense arising from the share based payments for period to 30 June 2013 was $219,297 (2012: $417,242 see below). The expected volatility of the options was calculated using the Hoadley's volatility calculator for a 3 year period, using data extracted from Bloomberg. For the purpose of the valuations above the future estimated volatility level of 75% was used in the pricing model.

20. SHARE BASED PAYMENTS (continued)

In the year ended 30 June 2012, the following equity-settled share-based payments were issued.

	Number of Options	Grant date	Fair Value per option at grant date $	% Vested in Year	% Forfeited in year	Exercise date	Exercise Price $	Vesting date
Clint McGhie Director	300,000	19 August 2011	0.15	100	0	30 June 2014	0.25	26 August 2011
Brian Brittney Consultant	100,000	19 August 2011	0.15	100	0	30 June 2014	0.25	26 August 2011
Peter Hill Director	1,500,000	29 November 2011	0.08	100	0	1 April 2014	0.25	1 April 2012
	1,750,000	29 November 2011	0.082	0	0	1 October 2014	0.30	1 October 2012
	1,750,000	29 November 2011	0.085	0	0	1 April 2015	0.35	1 April 2013
	1,000,000	29 November 2011	0.084	0	0	1 October 2015	0.45	1 October 2013
Peter Dighton Director	300,000	31 Dec 2011	0.0534 (2)	100	0	30 June 2014	0.25	31 December 2011

(2) Indicative valuation at 30 June 2012.

Once the Vesting date has been reached there are no exercise conditions attached to these options.

The fair value of the options was determined using the Black Scholes option pricing model and the Binomial option pricing model. The total expense arising from the share based payments was $417,242. The expected volatility of the options was calculated using the Hoadley's volatility calculator for a 3 year period, using data extracted from Bloomberg. For the purpose of the valuations above, the future estimated volatility level of 85% (for options granted on 19 August 2011) and 90% (on remaining options) was used in the pricing model.

20. 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 2013	Year ended 30 June 2012
Fair value at grant date	$0.038 – 0.0250	0.0534 – 0.15
Share price	$0.13	0.16 – 0.25
Exercise price	$0.25 – 0.45	0.25 – 0.45
Expected volatility	75%	85 – 90%
Expected option life	2.38 – 3.84	2.00 – 3.84
Expected dividends	Nil	Nil
Risk-free interest rate (based on government bonds)	2.54	2.46 – 3.55

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 2013	Weighted average exercise prices 2013 $	Number of options 2012	Weighted average exercise price 2012 $
Outstanding at 1 July	6,800,000	0.318	-	-
Granted during the year	3,000,000	0.327	6,800,000	0.318
Options forfeited during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options expired/lapsed during the period	500,000	0.327	-	-
Outstanding at 30 June	9,300,000	0.318	6,800,000	0.318
Exercisable at 30 June	6,200,000	0.297	1,900,000	0.250

Subsequent to 30 June 2013, 750,000 options allocated to Dr R Arnott have lapsed, with a total valuation of $28,040. To date $15,808 has been expensed as equity based remuneration.

21. TRADE AND OTHER PAYABLES

	2013 $	2012 $
Trade payables due to related parties	-	59,005
Other trade payables	165,415	322,644
Accrued expenses	272,484	234,287
Balance at 30 June	**437,899**	**615,936**

22. PROVISIONS

	Notes	2013 $	2012 $
Current			
Restoration provision held for sale	15	-	15,996
Employee benefits		53,316	23,579
		53,316	**39,575**
Non-current			
Restoration provision		**-**	**-**
Balance at 1 July		-	38,473
Provision reversed during the year		-	(38,473)
Balance at 30 June		**-**	**-**

The restoration provision represents the value of the estimated cost of obligations to restore operating locations including the removal of facilities, abandonment of wells and restoration of affected areas. On sale of the remaining wells (refer note 6) the requirement to restore the site will also be transferred and this restoration provision is no longer be required.

23. FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Commodity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives. Policies and processes for measuring and managing risk, and the Groups management of capital.

23.1 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.

23.2 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:

	2013 $	2012 $
Cash and cash equivalents	22,113,332	24,329,070
Trade and other receivables	353,406	256,769
	22,466,738	**24,585,839**

23. FINANCIAL INSTRUMENTS (continued)

23.2 Credit risk (continued)

Trade and other receivables comprise loans, oil and gas revenue receivables, accrued interest, GST 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 2013, none (2012: none) of the Group's receivables are past due. No impairment losses have been recognised in the Consolidated Statement of 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 ANZ and Bank of Queensland which are both Australian banks with an A-1+ and a BBB+ (2012: BBB) long term credit rating respectively (Standard & Poor's).

23.3 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 2013, 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 $	6-12 months $	1-5 years $	≥5 years $	Total $
2013 Financial liabilities					
Trade and other payables	437,899	-	-	-	437,899
	437,899	-	-	-	437,899
2012 Financial liabilities					
Trade and other payables	615,936	-	-	-	615,936
	615,936	**-**	**-**	**-**	**615,936**

23.4 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.

At the reporting date, the cash and cash equivalents balance included A$5,274,438 (2012: A$8,041,352) held in foreign currency accounts (US Dollar and UK Pounds) that were low interest bearing. Other cash balances were interest bearing as disclosed below:

23. FINANCIAL INSTRUMENTS (continued)

23.4 Interest rate risk (continued)

	2013 $	2012 $
Interest bearing financial instruments		
Cash at bank and on hand	10,707	714,100
Term deposits	16,828,187	15,573,618
	16,838,894	**16,287,718**

The Group's cash at bank and on hand and short term deposits had a weighted average floating interest rate at year end of 4.74% (2012: 5.27%)

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

Interest rate sensitivity

A sensitivity of 20% 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 20% movement in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular cash balances and foreign currency rates, remain constant during the year. The analysis is performed on the same basis for 2012. This analysis is prepared based on cash balances as at year end and is considered representative of the risk during the year.

	Profit or Loss	
	20% Increase	**20% Decrease**
2013		
Cash and cash equivalents	157,154	(157,154)
2012		
Cash and cash equivalents	190,179	(190,179)

23.5 Foreign currency risk

As a result of activities overseas, the Consolidated Statement of Financial Position can be affected by movements in exchange rates.

As at 30 June 2013, the Group had USD denominated deposits of US$4,687,875 (A$5,125,693). As at 30 June 2012, the Group had USD denominated deposits of US$8,146,200 (A$7,960,115).

As at 30 June 2013, the Group had UK Pounds 89,439 (A$148,726). As at 30 June 2012, the Group had UK Pounds 52,909 (A$81,092).

The Group also has transactional currency exposures. Such exposure arises from transactions denominated in currencies other than the functional currency of the entity.

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

Foreign currency risk also arises on translation of the net assets of subsidiaries with a GBP or USD functional currency. The foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve. There is no hedging of this risk.

23. FINANCIAL INSTRUMENTS (continued)

23.6 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.

A 10% strengthening of the Australian dollar against the USD at 30 June 2013 would have decreased equity for the year for the Group by A$337,581 (2012: A$287,857) and would have decreased the Profit or loss of the group by A$ 88,202(2012: A$420,869). 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 USD at 30 June 2013 would have increased equity for the year for the Group by A$412,599 (2012: A$351,825), and have increased the profit or loss for the year for the Group by A$107,802 (2012: A$514,396) on the basis that all other variables remain constant.

23.7 Commodity price risk

The Group is no longer exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. No hedging or derivative transactions have been used to manage commodity price risk. The Group no longer has any financial instruments (trade receivables) dependant on commodity prices.

23.8 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.

23.9 Fair value

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

24. CAPITAL COMMITMENTS

24.1 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.

24.2 Joint venture commitments

On 26 August 2011, the Group announced that it had completed the acquisition of Jupiter Petroleum Limited (“Jupiter”) which holds prospective oil and gas exploration interests in offshore Namibia and in offshore Juan de Nova, a French dependency in the Mozambique Channel. In order to maintain current rights of tenure to the exploration licences, Global will be required to perform minimum exploration work to meet the minimum expenditure requirements specified in the Namibian Petroleum Exploration Licence and the Juan de Nova Permit. The obligations (subject to application for, and granting of, renewal in the case of the First and Second Renewal Periods) include:

24. CAPITAL COMMITMENTS (continued)

24.2 Joint venture commitments (continued)

Namibian Petroleum Exploration Licence

(a) **Initial Exploration Period** (First four years of Licence commencing on 3 December 2010):
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$1 million (A$ 1.09339 million). To date US$2.88 million (A$2.90 million) has been spent.

(b) **First Renewal Exploration Period** (Two years from 3 December 2014):

The drilling of one exploration well. Minimum exploration expenditure for the First Renewal Exploration Period: US$20 million (A$21.93 million).

(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 (A$21.93 million), or US$21 million (A$23.03 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.

Juan de Nova Permit

The work obligations for the current term of the Juan de Nova exploration permit include geologic studies, seismic acquisition and reprocessing and a commitment to drill one well with a contingency for a second well. The total financial commitment for the current term ending 31 December 2013 is €27.92 million (A$39.71 million) with Jupiter's 30% share being €8.38 million (A$11.92 million). To date US$188,000 (A$202,000) has been spent.

The Company will consider funding options for these projects as the need arises, including capital raising and joint venture arrangements.

25. CONTINGENCIES

25.1 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 2013 and 30 June 2012.

25.2 Joint ventures

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 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.

26. RELATED PARTIES

26.1 Ultimate parent

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

26.2 Key management personnel

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

Directors

Dr Robert Arnott	Non-Executive Chairman (appointed 4 October 2012, resigned 16 July 2013)
Mr Mark Savage	Non-Executive Chairman (resigned 4 October 2012)
Mr Peter Hill	Managing Director and Chief Executive Officer
Mr Peter Blakey	Non-Executive Director (appointed Non-Executive Chairman 16 July 2013)
Mr Peter Taylor	Non-Executive Director
Mr Peter Dighton	Non-Executive Director
Mr Damien Cronin	Non-Executive Director and Company Secretary

26.3 Key management personnel compensation

	2013 $	2012 $
Short-term employee benefits	625,386	523,326
Share based payments	169,680	402,243
Post-employment benefits	55,285	44,051
Total compensation	**850,351**	**969,620**

26. RELATED PARTIES (continued)

26.4 Individual Director and executive compensation disclosure

Information regarding individual Director and executive compensation and some equity instruments disclosed as required by Corporations Regulation 2 M.3.03 is provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

26.5 Key management personnel and Director transactions

On 26 August 2011, the Company completed the acquisition of Jupiter Petroleum Limited ("Jupiter"), a Company owned by Mr Peter Taylor and Mr Peter Blakey, which holds prospective oil and gas exploration interests in offshore Namibia and in offshore Juan de Nova, a French dependency in the Mozambique Channel. Refer to note 11 for further information regarding the acquisition of Jupiter.

2013	Held at 1 July 2012	Acquisitions	Disposals	No Longer KMP	Held at 30 June 2013
Directors					
Dr R Arnott (appointed 4 October 2012 resigned 16 July 2013)	-	-	-	-	-
Mr M Savage (resigned 4 October 2012)	2,225,000	-	-	(2,225,000)	-
Mr P Hill	180,000	-	-	-	180,000
Mr P Blakey	41,011,761	-	-	-	41,011,761
Mr P Taylor	42,434,867	333,460	-	-	42,768,327
Mr P Dighton	-	40,000	-	-	40,000
Mr D Cronin	-	-	-	-	-

2012	Held at 1 July 2011	Acquisitions	Disposals	Held at 30 June 2012
Directors				
Mr M Savage	2,225,000	-	-	2,225,000
Mr P Hill (appointed 1 September 2011)	-	180,000	-	180,000
Mr P Blakey	27,117,095	13,894,666	-	41,011,761
Mr P Taylor	28,473,674	13,961,193	-	42,434,867
Mr I Middlemas (resigned 31 December 2011)	1,430,000	-	(1,430,000)	-
Mr C McGhie (resigned 31 December 2011)	-	-	-	-
Mr P Dighton (appointed 31 December 2011)	-	-	-	-
Mr D Cronin (appointed 31 December 2011)	-	-	-	-

26. RELATED PARTIES (continued)

26.6 Options and rights over equity instruments

Other than as discussed note 19, no options were held by key management personnel or related parties during the year ended 30 June 2013. No options were held by key management personnel or related parties during the year ended 30 June 2012.

(a) Loans to key management personnel and their related parties

On December 20, 2012 TM Services made a short term interest free loan to Global for a total amount of $61,601 (GBP 40,000) to cover a GB Pound shortfall, this amount was repaid in full on January 4th, 2013. There were no other loans provided to or received from key management personnel or their related parties during the year ended 30 June 2013 (2012: Nil).

(b) 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. The terms and conditions of these transactions were no more favourable than those available, or which might be available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

During the year the Company paid $291,655 (2012: $317,106) to TM Services Limited, a company controlled by Mr P Taylor and Mr P Blakey, for administrative and technical assistance. $33,600 (2012: 16,800) to Law Strategies, a company controlled by Mr P Dighton, for the provision of a fully serviced Australian office to the Company and $14,551 (2012: $16,102) to Tower Resources Limited, a company controlled by Mr P Taylor and Mr P Blakey, for assistance in London. During the year the Company also paid $Nil (2012:$129,000) to Apollo Group Pty Ltd, a company controlled by Mr I Middlemas and which employed Mr C McGhie, for the provision of a fully serviced Australian office to the Company to 31 December 2011 and administrative and financial assistance in Perth. The Company also paid Law Strategies $16,450 (2012:$10,500) for legal services and Law Projects, a company controlled by Mr D Cronin, $48,000 (2012:$18,000) for company secretarial services. The Company also paid the following consultancy fees to the Directors: $30,000 Mr P Blakey (2012:$30,000), $30,000 Mr P Taylor (2012:$30,000), $Nil to Mr C McGhie (2012:$32,019).

In March 2012, Global prepaid $26,821 superannuation contributions for Mr P Hill, in order for him to qualify for UK pension protection. This prepayment covered the period from July 2012 to Jan 2013. This was a non interest bearing short term loan to Mr P Hill. As at 30 June 2013 this prepayment has been fully covered, and no further liability from Mr P Hill exists.

27. 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 2013 %	Ownership interest 2012 %
Parent entity			
Global Petroleum Limited	Australia		
Subsidiaries			
Star Petroleum Plc.	United Kingdom	100	100
Star Petroleum International (Kenya) Limited * (1)	British Virgin Islands	100	100
Dampier Oil Pty Ltd*	Australia	100	100
Global Mine Management Pty Limited *	Australia	100	100
Global Petroleum (USA) Pty Ltd*	Australia	100	100
GP Exploration, Inc.*	United States of America	100	100
Astral Petroleum Limited (1)	United Kingdom	0	100
Jupiter Petroleum Limited (2)	United Kingdom	100	100
Jupiter Petroleum (Namibia) Limited*(2)	British Virgin Islands	100	100
Jupiter Petroleum Juan De Nova Limited*(2)	British Virgin Islands	100	100

* No separate audit opinion issued as not required in place of incorporation.

(1) The Company commenced procedures to dissolve Star Petroleum International (Kenya) Limited in April 2013 and dissolved Astral Petroleum Limited on 7 August 2012. These companies have been dormant for many years and the decision to dissolve was made in order to reduce both costs and administration. On dissolving Austral, the Group crystallised a foreign exchange translation loss of $31,900 in 2012. There are no cash flow effects relating to this transaction.

(2) See note 13.

Interests in joint venture 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:

27. GROUP ENTITIES (continued)

Interests in joint venture operations (continued)

	2013 $	2012 $
Current assets		
Cash and cash equivalents	-	-
Trade and other receivables	-	112,574
Assets held for sale	-	1,323,176
Total current assets	**-**	**1,435,750**
Non-current assets		
Oil and gas assets	-	-
Exploration asset	9,893,158	9,081,020
Total non-current assets	9,893,158	9,081,020
TOTAL ASSETS	**9,893,158**	**10,516,770**
Current liabilities		
Trade and other payables	203,622	397,302
Current tax payable	-	261,210
Oil and gas liabilities held for sale	-	15,996
Total current liabilities	**203,622**	**674,508**
Non-current liabilities		
Provisions	-	-
Deferred tax liability	-	262,857
Total non-current liabilities	**-**	**262,857**
TOTAL LIABILITIES	**203,622**	**937,365**
NET ASSETS	**9,689,536**	**9,579,405**

For income and expenses attributable to joint venture operations refer to note 6.

27. GROUP ENTITIES (continued)

Interests in joint venture operations (continued)

		Joint Venture % Interest Held	
	Notes	2013 %	2012 %
Leighton Project – Olmos (1)		-	-
Leighton Project – Eagle Ford Shale (2)		-	7.939
Namibia – Petroleum Exploration Licence No.0029	12	85.000	85.000
Juan de Nova Est. Permit	12	30.000	30.000

(1) This interest was sold during the year ended 30 June 2012– refer to note 15

(2) This interest was sold on 11 June 2013 - refer note 15

See notes 24 and 25 for details of commitments and contingencies in relation to joint venture operations.

28. SUBSEQUENT EVENTS

On the 16th July 2013, Dr Robert Arnott resigned as Chairman and Director of the Group. It was agreed that he receive three months fee in lieu of notice, GBP 16,250 (AUD 27,021) and the following changes occurred regarding his share options.

- 290,000 Incentive Options, previously exercisable at $0.30 each on or before 1 October 2015, vesting 1 October 2013, lapsed on 16 July 2013;
- 290,000 Incentive Options, previously exercisable at $0.35 each on or before 1 April 2016, vesting 1 April 2014, lapsed on 16 July 2013; and
- 170,000 Incentive Options, previously exercisable at $0.45 each on or before 1 October 2016, vesting 1 October 2014 lapsed on 16 July 2013.

These options were valued at $28,040 and to date $15,808 has been expensed as equity based remuneration.

GLOBAL PETROLEUM LIMITED

29. AUDITORS REMUNERATION

	2013 $	2012 $
Audit services:		
Auditors of the Group, KPMG Australia – audit and review of financial reports	102,437	50,090
Other auditors – audit and review of financial reports	3,896	6,000
	106,333	**56,090**
Other services:		
Auditors of the Group, KPMG Australia		
-assurance, taxation and due diligence services	48,500	39,200
Other auditors		
-assurance and administration on BVI resident companies	-	7,158
	48,500	**46,358**
	154,833	**102,448**

KPMG are the auditors of the Consolidated Entity for the year ended 30 June 2013. In addition, other auditors performed audit services for certain controlled entities and other services.

30. PARENT ENTITY DISCLOSURES

	2013 $	2012 $
(a) Financial position		
Assets		
Current assets	18,310,526	21,201,961
Non-current assets	7,362,203	7,337,038
Total assets	25,672,729	28,538,999
Liabilities		
Current liabilities	342,572	639,888
Non-current liabilities	27,740,319	32,434,840
Total liabilities	28,082,891	33,074,728
Net Liabilities	**(2,410,162)**	**(4,535,729)**
Equity		
Issued capital	41,574, 956	41,574,956
Option premium reserve	636,540	417,242
Accumulated losses	(44,621,658)	(46,527,927)
Total equity	**(2,410,162)**	**(4,535,729)**
(b) Financial performance		
(Loss) for the year	(1,310,840)	(1,831,712)
Other comprehensive income (1)	3,217,109	-
Total comprehensive gain (loss)	1,906,269	(1,831,712)

At 30 June 2013, the Parent Entity has no capital commitments (2012: nil)

(1) Following the decision to dissolve Star Petroleum International (Kenya) Limited ('Star Kenya') the intercompany debt owed by Global to Star Kenya was forgiven, this resulted a write back of the loan in Global's accounts for a total amount of $3,217,109.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Global Petroleum Limited, I state that:

(1) In the opinion of the Directors:

(a) the Consolidated Financial Statements, and notes that are set out on pages 34 to 78 and the Remuneration report in section 4.3 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 2013 and of its performance for the financial year ended on that date; and

(ii) comply 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 attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2.1 to the financial statements.

(3) The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

On behalf of the Board.

DAMIEN CRONIN
Director and Company Secretary

23rd day of September 2013

Independent auditor's report to the members of Global Petroleum Limited

Report on the financial report

We have audited the accompanying financial report of Global Petroleum Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2013, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 30 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2.1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards legislation.

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

    (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2013 and of their performance for the year ended on that date; and

    (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial also complies with International Financial Reporting Standards as disclosed in note 2.1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 14 of the Directors' Report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the Remuneration Report of Global Petroleum Limited for the year ended 30 June 2013, complies with Section 300A of *the Corporations Act 2001*.

KPMG

KPMG

Robert S. Jones

Robert S Jones
Partner

Brisbane

23 September 2013

GLOBAL PETROLEUM LIMITED

The shareholder information set out below was applicable as at 23rd day of September 2013.

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>	56,556,523	28.36%
2	Mr Peter Blakey	37,780,866	18.94%
3	Mr Peter Taylor	36,224,866	18.16%
4	Nefco Nominees Pty Ltd	7,302,923	3.66%
5	Mrs Sandra Anne David	6,845,660	3.43%
6	Mr Thomas Patrick Cross & Ms Linda Cross	2,776,400	1.39%
7	TM Services Limited	2,636,905	1.32%
8	JP Morgan Nominees Australia Limited <Cash Income A/C>	2,377,832	1.19%
9	Humboldt Capital Corporation	1,695,903	0.85%
10	I P M 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	Mr Terrence Peter Williamson & Ms Jonine Maree Jancey <The Wiljan Super Fund A/C>	1,372,618	0.69%
14	Mrs Carmel Elizabeth Whiting	1,100,000	0.55%
15	Mr Michael Andrew Whiting & Mrs Tracey Anne Whiting <Whiting Family S/F A/C>	1,000,000	0.50%
16	Mr Robert Hastings Smythe <Super Fund A/C>	871,800	0.44%
17	Fitel Nominees Limited	622,500	0.31%
18	Mr David John Massey <The DJ Massey Super A/C>	600,000	0.30%
19	TT Nicholls Pty Ltd <Super Fund No 2 A/C>	600,000	0.30%
20	Mr Nick Filipovic & Mrs Jane Marina Filipovic <The N&J Filipovic S/F A/C>	519,880	0.26%
	Total Top 20	**165,370,676**	**82.90%**
	Others	34,074,111	17.08%
	Total Ordinary Shares on Issue	**199,444,787**	**100.00%**

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	851	378,525
1,001	–	5,000	675	1,780,681
5,001	–	10,000	227	1,808,492
10,001	–	100,000	425	14,060,698
100,001		and over	90	181,416,391
			2,268	**199,444,787**
The number of shareholders holding less than a marketable parcel of shares are:			**1,557**	**2,325,968**

3. VOTING RIGHTS

See note 18 of the notes to the Financial Statements.

4. SUBSTANTIAL SHAREHOLDERS

As at 23 September 2013, Substantial Shareholder notices have been received from the following:

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 - $0.25 incentive options	1,500,000
Peter Hill - $0.30 incentive options	1,750,000
Peter Hill - $0.35 incentive options	1,750,000
Peter Hill - $0.45 incentive options	1,000,000
Total Peter Hill incentive options	**6,000,000**
Total unquoted securities on issue	**8,450,000**

6. ON-MARKET BUY BACK

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

7. EXPLORATION/PROJECT INTERESTS

As at 23 September 2013, the Company has an interest in the following projects:

Project	Interest
Namibia	
Petroleum Exploration Licence No.0029	85% WI
Juan de Nova	
Juan de Nova Est Permit	30% WI

GLOBAL PETROLEUM LIMITED

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