



(Formerly Global Vanadium Ltd)

ABN 80 112 893 491

and Controlled Entities

INTERIM FINANCIAL REPORT FOR THE
HALF YEAR ENDED 31 DECEMBER 2019

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GLOBAL OIL & GAS LIMITED

(Formerly Global Vanadium Ltd)

ABN 80 112 893 491

and Controlled Entities

Interim Financial Report

for the Half-Year ended 31 December 2019

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DIRECTORS' REPORT

The directors of Global Oil & Gas Limited ("Global" or the "Company") submit their report for the half year ended 31 December 2019.

DIRECTORS

The names of the Company's directors in office during the half year period and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Christopher Zielinski	Chairman	Appointed 10 August 2018
Patric Glovac	Non-Executive Director	Appointed 10 August 2018
Anna MacKintosh	Non-Executive Director/Company Secretary	Appointed Interim Non-executive Director 11 February 2020 and resigned 11 March 2020
Jason Brewer	Non-Executive Director	Resigned 11 February 2020
Troy Hayden	Non-Executive director	Appointed 11 March 2020

REVIEW AND RESULTS OF OPERATIONS

The consolidated net loss from continuing operations after income tax for Global and its subsidiaries ("the Group" or "the consolidated entity") for the half year ended 31 December 2019 was \$195,510 (2018: \$1,233,227).

PHILIPPINE IRON SANDS – VANADIUM MAGNETITE PROJECT/ CIS LOAN AGREEMENT

The Company has in place a Secured Converting Loan and Profit Share Agreement ("Secured Loan Agreement") which it entered into, via the Company's subsidiary Goldfleet Enterprises Pty Ltd ("Goldfleet") with Consolidated Iron Sands Limited ("CIS") and New York Securities Pty Ltd ("NYS").

By way of background, the Company's investment in the Philippines Iron Sands Vanadium- Magnetite Project, is currently through loan advances to CIS or its Philippine's based subsidiary, Luzon Iron Development Group Corporation ("LIDGC"). These advances are made under the Secured Loan Agreement which was entered into in 2012 (and varied in 2014).

In light of the recent developments that LIDGC's rights in respect of the Philippines Iron Sands Vanadium- Magnetite Project were not renewed by the Philippines Mines and Geosciences Bureau (as announced on 23 April 2019) and the ASX National Committee determining that the Company's main undertaking is oil and gas, the Board determined it was appropriate for the Company to require immediate repayment of all outstanding monies under the Secured Loan Agreement.

As at 30 June 2019, the Secured Monies owed by CIS to the Company under the Secured Loan Agreement consisted of

- (i) Loan advances totaling \$2,829,789.85;
- (ii) Interest accrued on the Loan advances totaling \$1,050,386.08; and
- (iii) Interest accrued on Overdue Monies totaling \$420,991.59.

The Company issued written notice to CIS on 16 August 2019, in accordance with the terms of the Secured Loan Agreement, that all Secured Monies are immediately due and payable to Goldfleet.

SOUTHERN GEORGINA BASIN

On 2 December 2019, the Company announced revised terms regarding the sale of its 100% owned Exploration Permit 127, the Southern Georgina Project. The Company further clarified that as a result of the change in terms of the tenement sale agreement, ASX determined that the Company was required to re-seek shareholder approval pursuant to Listing Rule 11.2 and 11.4 (previously sought and obtained at the Company's meeting held on 12 June 2019).

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The change in terms to the Transaction related to an extension to the end date from 30 November 2019 to 24 January 2020, receipt of a further non-refundable deposit of AUD\$75,000 and an additional upfront payment to the Company for the Northern Territory Department of Primary Industry & Resources and Central Land Council annual permit fees totalling AUD\$50,664.

In addition, the total value of the cash and share based consideration to be received by the Company on completion of the Transaction had been increased from AUD\$1,500,000 to AUD\$4,000,000.

Subsequent to the end of December 2019, shareholder approval was obtained by way of a poll conducted at the Shareholders Meeting held on 14 January 2020.

On 24 January 2020 the Company was informed by the Buyer that a further extension, to the previously revised end date, of 90 days would be required to allow the Buyer to satisfy the conditions precedent for completion of the Transaction. The Board of Global was unwilling to grant any further extension to the Transaction end date and therefore issued the Buyer with a termination notice.

Please refer to subsequent events for further information.

OIL AND GAS ACQUISITIONS AND ONGOING REVIEW AND NEGOTIATIONS

Due to the additional requirement to obtain shareholder approval for the revised terms in relation to the sale of EP127, the Company was obliged to put all negotiations in respect of any complimentary asset acquisitions on hold until the revised terms of the sale of EP127 was approved by shareholders. Due to the termination of the Transaction on 24 January 2020, the Company will now refocus its efforts and exploration activities on EP127.

CORPORATE

The Company's Annual General Meeting was held on 21 November 2019 and all resolutions were passed by a show of hands.

During the December 2019 half, Global completed a placement of fully paid ordinary shares amounting to \$600,000 before costs. The Company issued 300 million fully paid ordinary shares at an issue price of \$0.002 per share to exempt offerees under section 708 of the Corporations Act (2001). The Placement shares were issued on the 20th August 2019.

Zark Capital Ltd ("Zark") and GTT Ventures Pty Ltd ("GTT") managed the Placement and were entitled to a 2% management fee (on total respective monies raised under the Placement) and a 4% capital raising fee on shares placed by Zark or GTT respectively.

Shares issued under the Placement were issued under the Company's 15% placement capacity (under ASX listing Rule 7.1) without prior shareholder approval.

COMPANY NAME CHANGE

With the Company's focus firmly on advanced oil and gas opportunities, shareholder approval for a name change to "Global Oil & Gas Limited" at the Company's General Meeting was granted.

EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the December 2019 half, shareholder approval was obtained for the amended terms of the sale of EP127 (outlined above), by way of a poll conducted at the Shareholders Meeting held on the 14th January 2020.

On 24 January 2020 the Company was informed by the Buyer that a further extension, to the previously revised end date, of 90 days would be required to allow the Buyer to satisfy the conditions precedent for completion of the Transaction.

The Board of Global was unwilling to grant any further extension to the Transaction end date and therefore issued the Buyer with a termination notice.

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Although the Company is disappointed that the proposed sale of EP127 wasn't able to be completed, the Board believes that retaining 100% ownership of EP127 will give shareholders greater certainty moving forward in-terms of the Company's exploration and project focus.

The Board intends to expedite an exploration program on EP127 and is in discussions with its technical advisor to assess the best way forward to unlock the Helium potential across the project area. On the 27 February 2020, the Company announced its proposed exploration program for EP127 which includes performing helium and hydrocarbon soil gas surveys and reprocessing of previous gravity and magnetics, in an attempt to get depth structures which would be integrated with the existing seismic and well data.

On 11 February 2020 Jason Brewer resigned as Director and Anna MacKintosh was appointed as an interim Director. Mr Troy Hayden was then appointed as a Director on 11 March 2020 and Anna Mackintosh resigned as interim Director.

The Company further announced on 11 March 2020 that subject to shareholder approval, consolidation of the issued capital of the Company will occur through the conversion of every twelve existing shares into one share. A Non-renounceable Rights Issue will take place following the shareholder meeting. The terms and conditions of the Rights Issue are yet to be determined. The purpose of the Rights Issue is to fund the 2020 helium exploration program at the Southern Georgina project (EP127), costs of the offer and working capital.

No other matters or circumstances have occurred subsequent to reporting date that would have a material impact on the consolidated financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Chris Zielinski
Chairman
12 March 2020

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF GLOBAL OIL & GAS LIMITED

As lead auditor for the review of Global Oil & Gas Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Global Oil & Gas Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 12 March 2020

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**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Note	Consolidated	
		31 December 2019 \$	31 December 2018 \$
OTHER INCOME			
Interest	2(a)	1,915	235,272
Other Income		75,000	-
		76,915	235,272
EXPENDITURE			
Loss on disposal of investments	2(b)	-	(3,588)
CVS loan write-down	5(a)	-	(644,924)
Provision non recovery CIS Loan	5(b)	-	(355,291)
Employee benefits expenses		(93,075)	(71,705)
Occupancy	2(c)	(10,000)	(13,542)
Technical consultants and contracts	2(c)	(597)	(103,724)
Travel		(1,091)	(14,292)
Finance costs		(21)	(395)
Share based payment (Directors Performance rights)	2(c)	(2,256)	-
Administration expenses	2(c)	(165,386)	(261,037)
		(272,425)	(1,468,499)
Profit (Loss) before income tax		(195,510)	(1,233,227)
Income tax (expense)/benefit		-	-
Total Comprehensive income (loss) net of income tax		(195,510)	(1,233,227)
Earnings per share (cents per share):			
Basic earnings (loss) per share		(0.006)	(0.044)

The above statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the accompanying notes.

GLOBAL OIL & GAS LIMITED

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	Consolidated	
		31 December 2019 \$	30 June 2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	637,375	280,752
Prepayments		21,123	13,288
Asset held for sale	6	-	1,240,000
TOTAL CURRENT ASSETS		658,498	1,534,040
NON-CURRENT ASSETS			
Financial Assets	5	340,265	340,265
Exploration and evaluation expenditure	6	1,244,357	-
TOTAL NON-CURRENT ASSETS		1,584,622	340,265
TOTAL ASSETS		2,243,120	1,874,305
CURRENT LIABILITIES			
Trade and other payables		44,381	41,884
TOTAL CURRENT LIABILITIES		44,381	41,884
TOTAL LIABILITIES		44,381	41,884
NET ASSETS		2,198,739	1,832,421
EQUITY			
Issued capital	7	56,333,191	55,773,618
Reserves	7	2,256	-
Accumulated losses		(54,136,707)	(53,941,197)
TOTAL EQUITY		2,198,739	1,832,421

The above statement of financial position should be read in conjunction with the accompanying notes.

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**INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Note	Consolidated 31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities			
Miscellaneous income		75,000	20,000
Payments to suppliers and employees		(275,508)	(805,189)
Interest received		1,915	1,167
Net cash flows used in operating activities		(198,593)	(784,022)
Cash flows from investing activities			
Proceeds from sale of financial assets		-	86,000
Payments for exploration and evaluation expenditure		(4,357)	(48,546)
Loans to other entities		-	(141,187)
Net cash flows (used in)/provided by investing activities		(4,357)	(103,733)
Cash flows from financing activities			
Proceeds from issue of shares		600,000	785,000
Payments for share issue costs		(40,428)	(4,919)
Net cash flows from financing activities		559,572	780,081
Net Increase/(decrease) in cash and cash equivalents		356,622	(106,674)
Cash at the beginning of the period		280,752	576,448
Cash and cash equivalents at the end of the period	4	637,375	468,774

The above statement of cash flows should be read in conjunction with the accompanying notes.

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	Attributable to equity holders of the parent Consolidated			Total Equity \$
		Issued Capital \$	Reserves	Accumulated Loss \$	
CONSOLIDATED					
As at 1 July 2018		54,979,537	-	(49,924,321)	5,055,216
Loss for the period		-	-	(1,233,227)	(1,233,227)
Equity Transactions					
Issue of share capital	7	785,000	-	-	785,000
Share issue costs	7	(4,919)	-	-	(4,919)
As at 31 December 2018		55,759,618	-	(51,157,548)	4,602,070
CONSOLIDATED					
As at 1 July 2019		55,773,618	-	(53,941,197)	1,832,421
Loss for the period		-	-	(195,510)	(195,510)
Equity Transactions					
Issue of share capital	7	600,000	-	-	600,000
Share issue costs	7	(40,428)	-	-	(40,428)
Issue of Performance rights		-	2,256	-	2,256
As at 31 December 2019		56,333,190	2,256	(54,136,707)	2,198,739

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019**1. Basis of Preparation**

This general purpose financial report for the interim half-year reporting period ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Global Oil & Gas Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and amended Accounting Standards

For the half-year ended 31 December 2019 the Group has reviewed all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019. The Group has applied for the first time AASB 16 Leases, the impact of which is described below. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 16 Leases**Impact of Adoption**

AASB 16 provides a model for the identification and treatment of lease arrangements in the financial statements. AASB 16 superseded the lease guidance *AASB 117 Leases* and the related Interpretations, when it became effective for the Group for the accounting period beginning 1 July 2019. After review of AASB 16 it has been determined that there is no material impact on the financial statements of the Group.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, 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.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2019.

Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the six-month period ended 31 December 2019 the Group made a loss of \$195,510 and had cash outflows from operating activities of \$198,593. In the short term, the ability of the Group to continue as a going concern is dependent on securing additional funding. These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report. The financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group currently has sufficient cash resources to fund its requirements currently based on the belief that additional funds can be raised to finance the group's activities.
- The Directors expect the Group to be successful in securing additional funds through debt or equity issues, when and if required.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

Statement of compliance

The interim financial statements were authorised for issue on 12 March 2020.

2. OTHER INCOME AND EXPENSES

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the consolidated entity:

	Consolidated 31 December 2019 \$	Consolidated 31 December 2018 \$
(a) Other Income		
Bank interest	1,915	1,167
Consolidated Iron Sands Ltd interest on Loan	-	214,105
Other (exclusivity agreement fee)	75,000	20,000
(b) Other gain (losses)		
Loss on sale of investment	-	(3,588)
(c) Other expenses		
Occupancy expenses	10,000	13,452
Technical consultants and contracts	597	103,724
Administration expenses	165,386	261,037
CVS Loan write-down	-	644,924
Provision for non-recovery CIS loan	-	355,291
Share based payment (Performance Rights directors) Refer Note 7b	2,256	-

3. DIVIDENDS PAID OR PROPOSED

No dividend was paid or proposed during the period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

4. CASH AND CASH EQUIVALENTS

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise the following:

	Consolidated 31 December 2019 \$	Consolidated 30 June 2019 \$
Cash at bank and in hand	637,375	280,752
	637,375	280,752

5. OTHER ASSETS

	Consolidated Entity	
	31 Dec 2019 \$	30 June 2019 \$
NON-CURRENT		
Loan to unrelated entities – unsecured (Cervantes Corporation Ltd)	340,265	1,257,400
Loan amendment (waive of rights and fees)	-	(357,400)
Provision for loss allowance	-	(559,735)
Net loan amount	<u>340,265</u>	<u>340,265</u>
Loans to unrelated entities – secured (CIS)	a 4,301,168	4,301,168
Provision for non-recovery loan	a (4,301,168)	(4,301,168)
Net loan amount	<u>-</u>	<u>-</u>
Grand total	<u>340,265</u>	<u>340,265</u>

Note a

The loan amount of \$4,301,168 (30 June 2019: \$4,301,168) includes accrued interest and penalty interest lent to an unlisted public company, Consolidated Iron Sands Limited ("CIS") and indirectly its Philippine subsidiary, Luzon Iron Development Group Corporation (Luzon), provided under a "Secured Converting Loan and Profit Sharing Agreement" via the Company's subsidiary Goldfleet Enterprises Pty Ltd ("Goldfleet"). The security for the loan comprises a controlling interest in Luzon which owns two exploration licences. Previous Company Directors Collin Vost and Justin Vost are Directors of Luzon.

In April 2019, the Company was advised that the renewal of the exploration permits was denied by Philippines Mines and Geosciences Bureau (MGB). In light of this decision the Board issued written notice to CIS in accordance with the terms of the Secured Loan Agreement that all Secured Monies are immediately payable to Goldfleet. The Company is still unable to determine the recoverability of the loan and the provision for non-recovery of the entire loan amount remains in place.

6. EXPLORATION AND EVALUATION EXPENDITURE/ ASSET HELD FOR SALE

As per Note 12, the previously announced sale transaction did not proceed. Accordingly, it is the Directors intention to now explore this area of interest in order to realise value for shareholders. Accordingly, the asset has been reclassified to exploration and evaluation expenditure asset.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Refer to Subsequent Event note 12.

Exploration and evaluation costs carried forward in respect of exploration areas of interest

	Dec 2019 \$	June 2019 \$
Exploration Asset – held for sale	1,240,000	7,036,256
Provision for impairment	-	(5,536,256)
15% Finders Fee payable ⁽ⁱ⁾	-	(225,000)
Cash deposit received March 2019	-	(35,000)
Transfer to Exploration and Evaluation	(1,240,000)	-
Asset held for sale transfer to Exploration and Evaluation	-	1,240,000
Opening Balance Exploration and Evaluation	1,240,000	-
Additions	4,357	-
Provision for Impairment	-	-
Closing balance	1,244,357	-

The ultimate recoupment of the Company's expenditure on its oil and gas interests is dependent upon the successful development and commercial exploitation or sale of the respective interests at amounts at least equal to book value.

7a. ISSUED AND PAID UP CAPITAL

	Consolidated 31 December 2019 \$	Consolidated 30 June 2019 \$
Fully paid ordinary shares		
Opening balance	55,773,618	54,979,537
Share based payment for services 27 Feb 2019	-	14,000
Share Purchase Plan 28 September 2018	-	785,000
Placement 20 August 2019	600,000	-
Capital Raising costs	(40,428)	(4,919)
Closing balance	56,333,190	55,773,618

	Consolidated 31 December 2019 No	Consolidated 30 June 2019 No
Opening balance	2,829,479,904	2,695,146,598
Share Purchase Plan 28 September 2018	-	130,833,306
Share based payment 27 Feb 2019	-	3,500,000
Placement 20 August 2019	300,000,000	-
Closing balance	3,129,479,904	2,829,479,904

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

7b. Performance Rights

Performance Rights granted to Directors on the 21st November 2019 (approved at AGM).

The following provides details of Performance Rights in place:

Series	Number	Grant date	Expiry date	Vesting (20 day VWAP)	Hurdle	Fair value
<u>Directors</u>						
1. Class A Performance Rights (i)	30,000,000	21/11/19	21/11/22	\$0.006		\$0.00159
2. Class B Performance Rights (i)	30,000,000	21/11/19	21/11/22	\$0.009		\$0.00138
2. Class C Performance Rights (i)	30,000,000	21/11/19	21/11/22	\$0.015		\$0.00109

The weighted average remaining contractual life of performance rights that were outstanding at 31 December 2019 was 3.9 years

The Company engaged an expert to determine a value for the Performance Rights using the *Barrier1* valuation model developed by Hoadley Trading & Investment Tools, which uses a trinomial lattice calculation. Inputs to determine the valuation are as follows:

Item	Class A	Class B	Class C
Valuation date	21/11/2019	21/11/2019	21/11/2019
Spot price	\$0.002	\$0.002	\$0.002
Exercise price	\$0.00001	\$0.00001	\$0.00001
Vesting hurdle (20-day VWAP)	\$0.006	\$0.009	\$0.015
Expiry date	21/11/2022	21/11/2022	21/11/2022
Expected future volatility	100%	100%	100%
Risk free rate	0.72%	0.72%	0.72%
Dividend yield	Nil	Nil	Nil

(i) subsequent to the half year end Jason Brewer resigned from the Company (11 February 2020). As a result 30 million Performance Rights granted to Jason Brewer were cancelled on the 11 March 2020.

The cost of the Performance Rights will be amortised on a straight line basis over three years. Total expenses arising from share based payments transactions recognised during the period as part of employee benefit expense were as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 201931 Dec 2019

Performance Rights Directors (P Glovac and C Zielinski) (ii) \$2,256

(ii) this reflects one month of amortisation expense (Dec 19)

8. SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

During the period, the consolidated entity only operated in one geographical segment being Australia, and on one business segment being mineral exploration and development.

9. CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities or contingent assets at 31 December 2019 not otherwise disclosed in this report.

10. COMMITMENTS

There has been no changes in commitments since the last annual reporting date.

11. RELATED PARTY TRANSACTIONS

Other than share based payment transactions disclosed in Note 7b for performance rights granted to Directors, transactions with related parties are consistent with those disclosed in the 30 June 2019 Annual Report.

An additional capital raising fee was paid to GTT during the half-year amounting to \$10,500.

12. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the December 2019 quarter, shareholder approval was obtained by way of a poll conducted at the Shareholders Meeting held on the 14th January 2020.

On 24 January 2020 the Company was informed by the Buyer that a further extension, to the previously revised end date, of 90 days would be required to allow the Buyer to satisfy the conditions precedent for completion of the Transaction. The Board of Global was unwilling to grant any further extension to the Transaction end date and therefore issued the Buyer with a termination notice.

Although the Company is disappointed that the proposed sale of EP127 wasn't able to be completed, the Board believes that retaining 100% ownership of EP127 will give shareholders greater certainty moving forward in-terms of the Company's exploration and project focus.

The Board intends to expedite an exploration program on EP127. On 27 February 2020 the Company announced its proposed exploration program for EP127 which includes performing helium and hydrocarbon soil gas surveys and reprocessing of previous gravity and magnetics, in an attempt to get depth structures which would be integrated with the existing seismic and well data.

On the 11th February 2020 Jason Brewer resigned as Director and Anna MacKintosh was appointed as an interim Director. Mr Troy Hayden was then appointed as a Director on the 11th March 2020 and Anna Mackintosh resigned as interim Director.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

The Company further announced on the 11th March 2020 that subject to shareholder approval, consolidation of the issued capital of the Company will occur through the conversion of every twelve existing shares into one share. A Non-renounceable Rights Issue will take place following the shareholder meeting. The terms and conditions of the Rights Issue are yet to be determined. The purpose of the Rights Issue is to fund the 2020 helium exploration program at the Southern Georgina project (EP127), costs of the offer and working capital.

No other matters or circumstances have occurred subsequent to reporting date that would have a material impact on the consolidated financial statements.

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DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Global Oil & Gas Limited (the "consolidated entity"), in the opinion of the directors:

- (a) the half year interim financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2019 and the performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Chris Zielinski

Chairman

Perth, 12 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Global Oil & Gas Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Global Oil & Gas Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'Dean Just', is written over the printed name.

Dean Just

Director

Perth, 12 March 2020

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