



**(formerly Global Vanadium Limited)
Annual Report**

for the year ended 30 June 2020

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CORPORATE INFORMATION

ABN 80 112 893 491

Directors

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

Company secretary

Mrs Anna MacKintosh

Registered and Principal Office

22 Townshend Road
Subiaco WA 6008

Telephone: 08 6380 2470
Website: www.globaloilandgas.com.au

Share register

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009
Telephone: 08 9389 8033

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Bankers

NAB
100 St. Georges Terrace
Perth WA 6000

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Securities Exchange Listing

Global Oil and Gas Limited shares are listed on the Australian Securities Exchange (ASX: GLV)

DIRECTOR'S REPORT

Your directors present their report together with the financial statements of the Group consisting of Global Oil and Gas Limited ("the Company") and the entities it controlled during the year for the financial year ended 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

Directors

The names of directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Chris Zielinski (Non-Executive Chairman) Bachelor of Laws and Bachelor of Commerce (Finance)

Experience and expertise Mr Zielinski is a corporate lawyer with over 10 years' experience. He is a director at the West Australian corporate law firm, Nova Legal. Mr Zielinski primarily works in mergers and acquisitions, capital raisings, regulatory compliance and commercial transactions with particular experience in the resources and technology sectors. Mr Zielinski was appointed to the board on 10 August 2018.

Other current directorships None

Former listed directorships in last 3 years Non-executive Director Caeneus Mineral Ltd (ASX:CAD)

Mr Patrick Glovac B.Com (Non-Executive Director) Bachelor of Commerce, Diploma of Management

Experience and expertise In 2013 Mr Glovac co-founded GTT Ventures Pty Ltd (GTT), a boutique corporate advisory firm, specialising in the resource and technology sector. GTT has funded numerous listed and private companies since its inception across multiple markets including Australia, USA and the United Kingdom. Previously he worked as an investment advisor for Bell Potter Securities Limited since 2003, focusing on high net-worth clients and corporate advisory services. Mr Glovac was appointed to the board on 10 August 2018.

Other current directorships Executive Director TAO Commodities Ltd (ASX:TAO)
Non-executive Director Prominence Energy NL (ASX:PRM)

Former listed directorships in last 3 years Non-executive Director Force Commodities Ltd (ASX:4CE) resigned 17/10/2017
Non-executive Director Stemify (ASX:SF1 previously ASX:RBO) resigned 28/8/2018
Non-executive Director Cirrus Network Holdings Ltd (ASX:CNW) resigned 23/7/2018

Mr Troy Hayden (Non-Executive Director) appointed 11 March 2020

Experience and expertise Mr Hayden has more than 25 years' experience in the upstream oil and gas industry. He has worked on numerous oil and gas asset acquisitions, divestments and M&A transactions. He is currently the Business Development Manager at Transborder Energy, a small scale Floating LNG company. He was the CEO/Managing Director at ASX listed, Tap Oil for 6 years and worked at Woodside Petroleum for 12 years, where he held a number of positions, including Treasurer, Acting CFO, Vice President of the USA Business Unit and Vice President of the Pluto Business Unit. He has consulted to a number of resource companies, working with First Quantum Minerals (Acting CFO), QR National (Group Treasurer), and Western Gas.

Other current directorships None

Former listed directorships in last 3 years None

DIRECTOR'S REPORT cont.

Ms Anna MacKintosh (Interim Non-Executive Director) appointed 11 February 2020 and resigned 11 March 2020

Experience and expertise	Anna MacKintosh is the Company Secretary of Global Oil and Gas and stepped into the Director role on an interim basis. Further information can be found below.
Other current directorships	None
Former listed directorships in last 3 years	None

Mr Jason Brewer (Non-Executive Director) Resigned 11 February 2020

Experience and expertise	Mr Brewer has 18 years' experience in mining, equity investment, corporate and project financing, capital raising, investment advising and evaluation of resource companies. Mr Brewer has experience in a variety of commodities having worked in underground and open-cast mining operations in the UK, Australia, Canada and South Africa. In addition, Mr Brewer has worked for a number of major global investment banks including Dresdner Kleinwort Benson, NM Rothschild & Sons (Australia) Limited and Investec Bank (Australia) Limited in London, Sydney and Perth where he had responsibility for structuring and arranging corporate and project financing facilities for mining companies operating in Asia and Africa.
Other current directorships	Nil
Former listed directorships in last 3 years	Force Commodities (ASX:4CE) Global Oil and Gas (ASX:GLV) Cape Lambert Resources Ltd (ASX:CFE) Vector Resources Ltd (ASX:VEC) Metasearch Limited (ASX:MSE) TAO Commodities Ltd (ASX:TAO)

Company Secretary

Anna MacKintosh B.Com (UWA) CPA

Anna MacKintosh has over 30 years' commercial experience including 11 years with BHP, 10 years with AFSL holder Kirke Securities Ltd as Compliance Manager, Finance Manager and Responsible Executive. Since then Ms MacKintosh has been the Company Secretary/CFO for listed entity Kalia Limited (formerly GB Energy Ltd) (ASX: KLH), Financial Controller for Force Commodities (ASX: 4CE) and previously XTV Networks Ltd (ASX: XTV) and Applabs Technologies Ltd (ASX: ALA). She is also currently Company Secretary of TAO Commodities Ltd (ASX:TAO) and Marquee Resources Ltd (ASX:MQR).

DIRECTORS' REPORT cont.

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares	Performance Rights
Mr Chris Zielinski	Nil	Nil	9,999,999
Mr Patrick Glovac	2,083,334 ⁽ⁱ⁾	Nil	9,999,999
Mr Troy Hayden	Nil	Nil	10,000,002

(i) Consolidated basis (1 share for every 12 held)

There are no unpaid amounts on the shares issued.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activities of the Group during the financial year was operating in the gas exploration sector in Australia.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

Operating Results and Review of Operations for the Year

Operating Results

The loss of the Group for the financial year after providing for income tax amounted to:

Year ended 30 June 2020	Year ended 30 June 2019
\$	\$
(470,295)	(4,016,876)

Review of operations

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 2020 financial period, Global completed a placement of fully paid ordinary shares raising \$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.

Southern Georgina Basin

The Company's exploration work program is progressing well with the geochemical survey design completed. The survey is designed to identify the presence of an active helium system across the permit as well as over already identified Prospects and Leads. The survey can achieve the above objectives with good coverage solely through existing roads, tracks, old well pads, bore locations and seismic lines.

DIRECTORS' REPORT cont.

Permitting is now underway in consultation with the Northern Territory Central Land Council (CLC) and Northern Territory Government ensuring COVID-19 guidelines are followed.

Given the recent restrictions, the field work and Ambient testing for helium previously mentioned will now be included in the field activity associated with the geochemical survey currently being permitted.

The Company is encouraged that it will be able to conduct the geochemical survey in 2020 as part of its transformative exploration program.

The Company has recently received an update from the CLC, in response to the control of COVID-19 in Central Australian communities, that permits for exploration on Aboriginal land in the CLC region will now be able to be issued with effect from 5 June subject to suitable risk management plans being provided. Noting the Northern Territory Government border restrictions currently in place, it will be a condition of the permit (whilst border restrictions apply) that any permittee must either have been situated continually within the NT for at least 14 days prior to entry on Aboriginal land or, for any permittee entering from interstate, that they have undertaken monitored quarantine for 14 days prior to entering aboriginal land, and display no symptoms of the COVID-19 virus.

In field exploration and interstate travel restrictions are being monitored while desktop exploration studies and planning for field work and geochemical survey continue.

EP127 Exploration Program 2020 (permit Year 2)

The exploration program is designed to prove the charge of helium and better define basement structuring and potential drape over basement related targets in addition to further delineating those prospects and leads shown in the figure below.

By analysing existing data sets, integrating existing interpretations and applying new thinking in the exploration for high value helium, Global can explore EP127 in a cost-effective manner for transformative results whilst still holding 100% working interest in the permit.

The planned Exploration Programme encompasses the following principal activities:

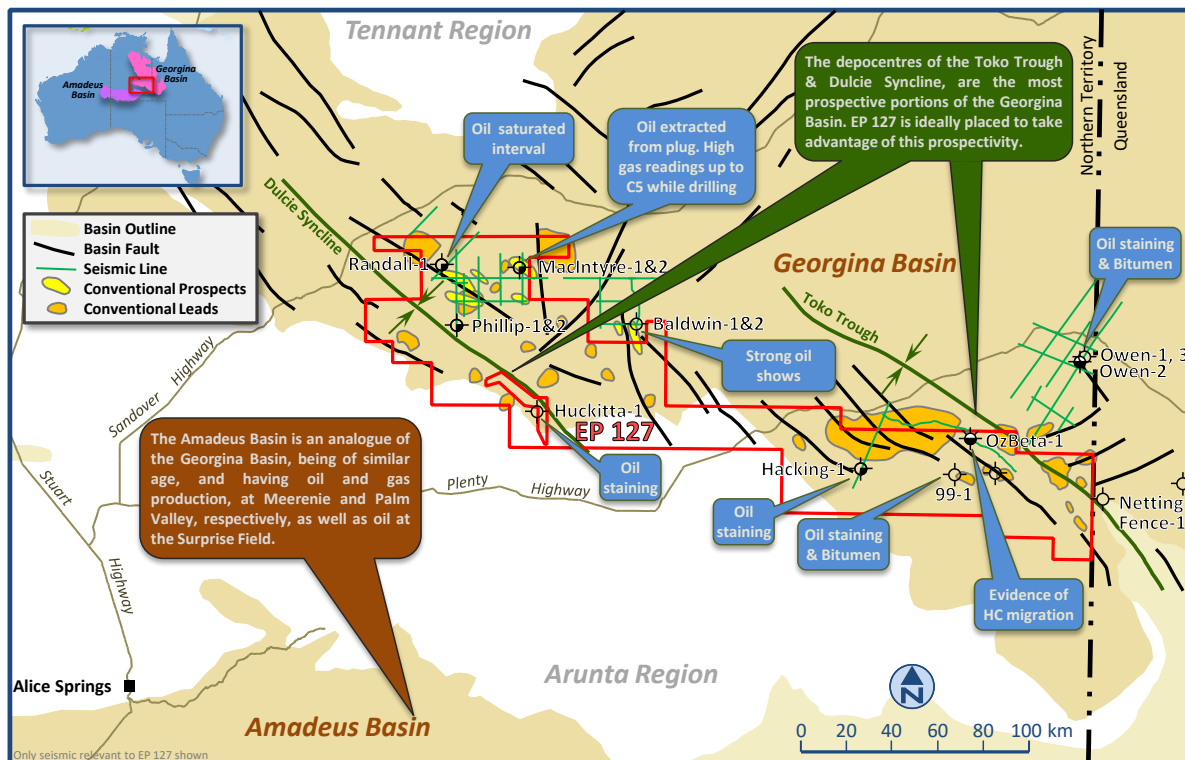
- Regional surface and remote sensing mapping validated by field work
- Interpretation and integration of the latest gravity and magnetics data
- Update and integration of seismic data and interpretation
- Geochemical survey to establish hydrocarbon and helium charge across the permit
- Integration of results into the understanding of prospectivity and planning for Year 3 (2021) work program

Geological Setting and Helium Potential

As described previously (27/02/2020) the Company has reviewed the potential for the permit to contain the required elements to yield significant helium accumulations and is encouraged that the permit contains the key elements for the accumulation of helium.

Most significantly the area covered by EP127 shares these elements with the Amadeus Basin immediately south where high levels of helium have been tested. The geologic elements map below shows the southern Georgina Basin and the adjacent Amadeus Basin separated by the Arunta Region.

DIRECTORS' REPORT cont.



To date well penetrations and oil and gas shows in the southern Georgina Basin (EP127) have mostly been confined to the Cambrian Petroleum System. No analysis of natural gas for helium has been undertaken to determine if a Cambrian Helium System exists. Like the petroleum and helium system in the Amadeus basin the Cambrian in the southern Georgina Basin contains evaporite and shale members with the capacity to seal helium accumulations.

The Southern Georgina Basin (EP127) has a mostly untested Neoproterozoic section, equivalent to the Neoproterozoic petroleum and helium systems seen in the Amadeus Basin.

In the Amadeus basin helium rich gas (He~6%) was discovered in the Heavtree quartzite which overlies fractured Proterozoic basement. The Gillen evaporites and shales that overly the Heavtree quartzite provide the top-seal. The concentrations seen in the Amadeus Basin are some of the highest concentrations of naturally occurring helium identified in the world to date. The uniquely-high concentration of helium in some wells in the Amadeus Basin suggests that helium extraction independent of natural gas extraction may be feasible (Waltenberg, 2015). Similar units are proposed in the southern Georgina basin since the Georgina and Amadeus basins were part of the same Centralian Superbasin from Neoproterozoic to Early Cambrian.

In addition to the presumed basement helium source in the Amadeus basin the southern Georgina basin contains a number of 'hot shales' in the Cambrian, where the radioactive decay of uranium and thorium in the sedimentary sequences could have generated the helium.

As previously announced on 7 June 2019 the Company had received notification (via letter) from the Northern Territory Department of Primary Industry and Resources ("DPIR) regarding proposed reserved blocks (no go zones) for petroleum activities in the Northern Territory.

EP127 extension to exemption from partial relinquishment

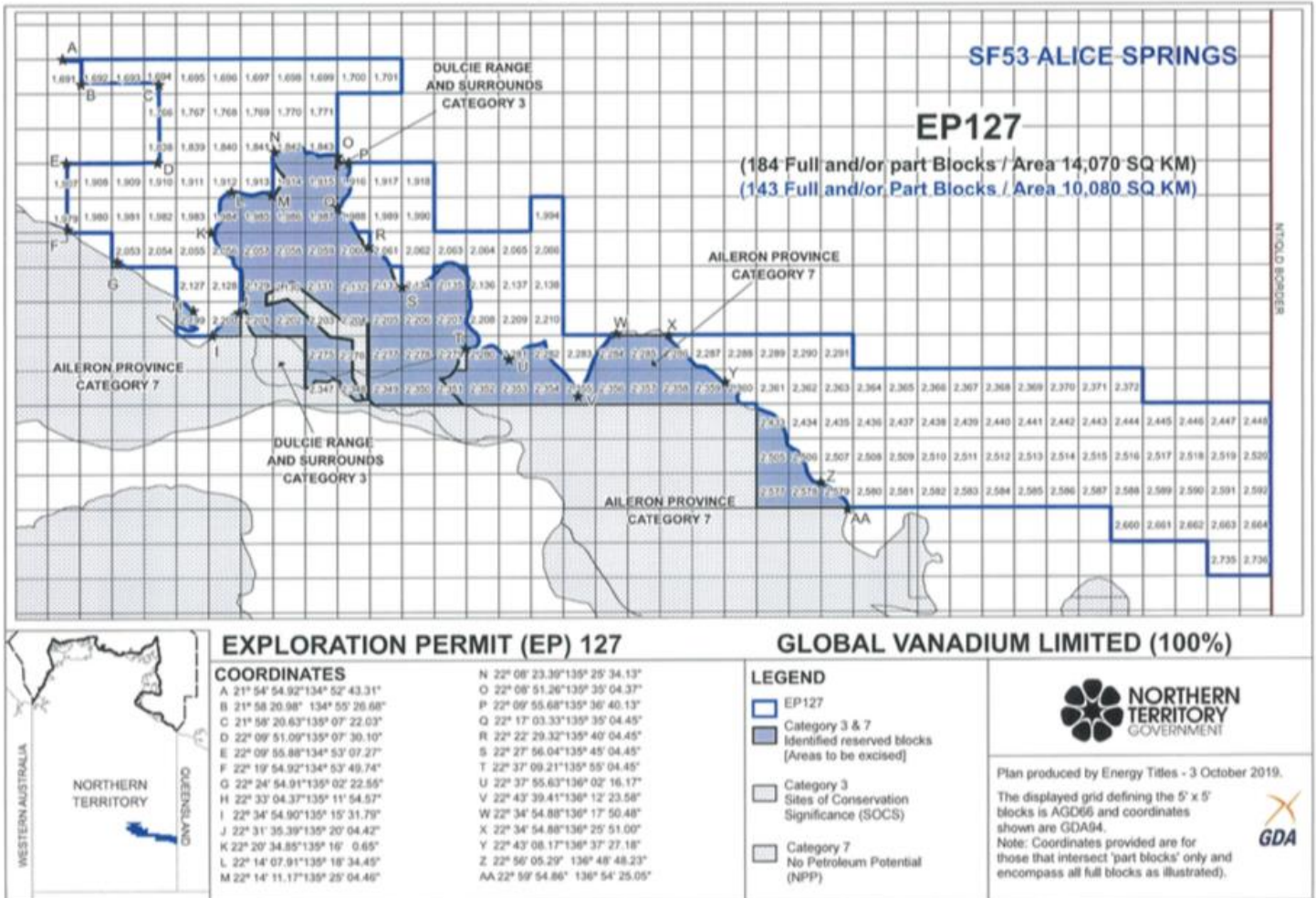
The Company made an application on 24 October 2019 seeking an extension to the exemption from the partial relinquishment condition for Exploration Permit EP127.

The Company has now received (via letter) approval to the exemption to reduce the permit area of EP127 to 13 December 2020. The extension now provides the Company with additional time to shift the exploration focus to include helium and to assess the impact of the Petroleum Reserved Block Policy.

DIRECTORS' REPORT cont.

The current ongoing exploration work program and recently finalised geochemical survey have already been designed around the reserved blocks.

A map of EP127 delineating the areas to be declared reserved blocks, being the Dulcie Range and surrounds Site of Conservation Significance and Aileron Province is attached below.



DIRECTORS' REPORT cont.

Cervantes Corporation Loan

On 7th June 2019 the Company gave written notice to Cervantes Corporation Limited (ASX.CVS), in accordance with the terms of the loan agreement ("CVS Loan Agreement") between the Company and CVS, that all amounts payable under the Loan Agreement must be repaid, either on or before 8 June 2021, or, on or before 8 June 2020.

Loan settlement negotiations with CVS are ongoing.

New Project Acquisitions

The Company is continuing to advance its current assets and is continuing to review new project opportunities to maximise shareholder value.

Significant changes in the state of affairs

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.

Significant events after reporting date

COVID -19

The COVID-19 pandemic has developed rapidly in 2020 with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home).

At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and in parallel we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

Investment in Goshawk Energy Corporation

On the 12th August 2020 the Company announced that it had entered into an exclusive Heads of Agreement for the option to acquire a 20% equity interest in Goshawk Energy Corporation Pty Ltd ("Goshawk"). Goshawk owns several strategic licences, which are prospective for oil and gas located in Western Australia's Canning Basin covering an area of approximately 40,800km². The Company made the decision after conducting due diligence to proceed with the acquisition on 3rd September 2020.

As part of this transaction the Company announced the Placement of 142,857,143 fully paid shares with (1 for 3 free attaching option) at an issue price of \$0.007 each to qualified sophisticated and professional investors, raising up to \$1 million dollars before costs. Tranche 1 shares 39,118,753 shares were issued 12 August raising \$273,831 before costs. Tranche 2 of the Placement of 103,738,390 fully paid ordinary shares is subject to shareholder approval. In addition a Non Renounceable Rights Issue was announced on the 28th August of up to 99,970,146 new shares on the basis of one New share for every three existing shares held by shareholders at an issue price of \$0.007 per new share together with one free attaching option for every three New shares subscribed for. The Rights Issue will raise up to \$699,791 before expenses.

A Notice of Meeting is currently being drafted and will provided to shareholders in coming weeks.

Likely developments and expected results

The company continues to review a number of potential oil and gas projects.

Environmental regulation

In the course of its normal exploration activities, the Group adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements during the financial year. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Group.

DIRECTORS' REPORT cont.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

Remuneration report (Audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Global Oil and Gas Limited for the financial year ended 30 June 2019. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

Key Management Personnel

Directors

Mr Chris Zielinski	Non-Executive Chairman appointed 10 August 2018
Mr Patrick Glovac	Non-Executive Director appointed 10 August 2018
Mr Troy Hayden	Non-executive Director appointed 11 March 2020
Ms Anna MacKintosh	Non-executive Director appointed 11 February 2020 and resigned 11 March 2020
Mr Jason Brewer	Non-Executive Director resigned 11 February 2020

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The Board has the authority and responsibility for planning, directing and controlling the activities of the company and the Group, including directors of the company and of the senior management. Compensation levels for directors and senior management of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives.

Remuneration levels are not dependent upon any performance criteria as the Company and the Group are not generating a profit.

Remuneration committee

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors for the year ended 30 June 2020 is detailed in page 12 of this report.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

DIRECTORS' REPORT cont.

Remuneration report cont.

The Committee has access to external, independent advice where necessary. No consultants were engaged during the reporting year.

Employment Contracts

Chris Zielinski – Non Executive Chairman

The key terms of Mr Zielinski's contract are:

- Chairman Fees of \$60,000 per annum plus statutory superannuation.
- No termination benefits

Patrick Glovac – Non-executive Director

The key employment terms of Mr. Glovac's contract are:

- Director fee of \$60,000 per annum plus statutory superannuation.
- No termination benefits

Troy Hayden – Non-Executive Director appointed 11 March 2020

The key employment terms of Mr Hayden's contract are:

- Director's fee of \$60,000 per annum plus statutory superannuation
- No termination benefits

Jason Brewer – Non-Executive Director resigned 11 February 2020

The key employment terms of Mr Brewer's contract were:

- Director's fee of \$60,000 per annum plus statutory superannuation
- No termination benefits

Remuneration of Key Management Personnel

Key Management Personnel remuneration for the year ended 30 June 2020 and 30 June 2019

		Short Term Benefit		Post Employment Benefit	Equity		Remuneration consisting of SBP%	
		Salary fees	& Other (iii)	Superannuation	Share based payments	Total	\$	%
		\$		\$	\$	\$	\$	%
<u>Directors</u>								
C Zielinski (i)	2020	60,000	-	5,700	13,382	79,082		16.92%
	2019	48,839	-	4,640	-	53,479		-
P Glovac (i)	2020	60,000	-	5,700	13,382	79,082		16.92%
	2019	48,839	-	4,640	-	53,479		-
T Hayden (iv)	2020	20,000	-	1,900	3,377	25,277		13.36%
	2019	-	-	-	-	-		-
AMacKintosh (v)	2020	5,000	-	-	-	5,000		-
	2019	-	-	-	-	-		-
J Brewer (iii)	2020	45,000	-	4,275	-	49,275		-
	2019	53,839	-	5,115	-	58,954		-
C Vost (ii)	2020	-	-	-	-	-		-
	2019	2,000	83,500	-	-	85,500		-
J Vost (ii)	2020	-	-	-	-	-		-
	2019	2,000	33,200	-	-	35,200		-
R Chang (ii)	2020	-	-	-	-	-		-
	2019	4,000	-	-	-	4,000		-
Total	2020	190,000	-	17,575	30,141	237,716		12.68%
	2019	159,517	116,700	14,395	-	290,612		-

DIRECTORS' REPORT cont.

Remuneration report cont.

- (i) Appointed 10 August 2018
- (ii) Resigned 10 August 2018
- (iii) Resigned 11 February 2020 .
- (iv) Appointed 11 March 2020
- (v) Appointed interim Director 11 February 2020 and resigned 11 March 2020

No member of key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

Bonuses

No bonuses were granted during the year.

Performance Rights

Performance Rights (termed 'series 1') were granted to Directors on the 21 November 2019 (approved at the Company's Annual General Meeting 'AGM'). These performance rights had market based conditions attached, being various Volume Weighted Average Price ('VWAP') hurdles.

Subsequent to grant date, these performance rights were voluntarily cancelled by Directors on 9 April 2020 and replaced with alternative performance rights (termed 'series 2'). The cancellation was as a result of the Sale of EP 127 not proceeding, the Company restructure and refocus, as well as the consolidation of its' issued capital.

The alternative performance rights were formalised and granted following shareholder approval at the Company's General Meeting on 22 May 2020. These performance rights had market based conditions attached, being various Volume Weighted Average Price ('VWAP') hurdles. The total fair value of the performance rights are expensed over a three year vesting period.

Series 1 Performance Rights

Terms	Class A	Class B	Class C
Number	2,500,000	2,500,000	2,500,000
Valuation Date	9 April 2020	9 April 2020	9 April 2020
Exercise price	\$0.00001	\$0.00001	\$0.00001
Expiry date	9 April 2023	9 April 2023	9 April 2023
Barrier Price	\$0.072	\$0.108	\$0.180
Fair value	\$0.0051	\$0.0040	\$0.0028

The total fair value of series 1 as at the date of modification was \$29,750

DIRECTORS' REPORT cont.

Series 2 Performance Rights

Terms	Class A	Class B	Class C
Number	10,000,000	10,000,000	10,000,000
Valuation Date	22 May 2020	22 May 2020	22 May 2020
Exercise price	\$0.00001	\$0.00001	\$0.00001
Expiry period	3 years	3 years	3 years
Vesting hurdle (20 day VWAP)	\$0.024	\$0.036	\$0.048
Fair value	\$0.0102	\$0.0090	\$0.0081

The total fair value of series 2 was \$273,000

Refer to Note 12 for details and assumptions in the valuation of these performance rights.

Shareholdings of Key Management Personnel

	Balance at beginning of year	Granted as remuneration	On Exercise of Options	Net Change	Other	Balance at time of resignation	Balance at end of year
	Number	Number	Number		Number		Number
30 June 2020							
<u>Directors</u>							
Mr Chris Zielinski	-	-	-	-	-	-	-
Mr Patrick Glovac	25,000,000	-	-	(22,916,666) ^(iv)	-	-	2,083,334
Mr Troy Hayden ⁽ⁱ⁾	-	-	-	-	-	-	-
Ms Anna MacKintosh ⁽ⁱⁱ⁾	-	-	-	-	-	-	-
Mr Jason Brewer ⁽ⁱⁱⁱ⁾	20,000,000	-	-	-	-	(20,000,000)	-

⁽ⁱ⁾ At time of appointment 11 Mar 2020

⁽ⁱⁱ⁾ At time of appointment 11 Feb 2020 and resignation 11 Mar 2020

⁽ⁱⁱⁱ⁾ At time of resignation 11 Feb 2020

^(iv) A Consolidation of shares occurred on a 1 share for 12 basis which was approved by shareholders

All equity transactions with key management have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Statutory key performance indicators of the group over the last five years

	2020	2019	2018	2017	2016
Profit/(Loss) for the year attributable to owners of Global Oil and Gas Ltd (\$'000)	(470)	(4,017)	(8,148)	(326)	733
Basic profit/ (loss) per share cents ⁽ⁱ⁾	(0.182)	(1.725)	(0.029)	(0.001)	0.003
Dividend payments	0	0	0	0	0
Dividend payout ration	n/a	n/a	n/a	n/a	n/a
Increase/(decrease) in share price (%)	(50%)	(400%)	400%	0	0
Total KMP incentives as percentage of profit (loss) for the year (%)	0	0	0	0	0

⁽ⁱ⁾ previous financial years adjusted on a consolidated basis.

DIRECTORS' REPORT cont.

Other transactions with Key Management Personnel

Further payments to GTT Ventures Pty Ltd (a company of which Patrick Glovac is a Director and shareholder) included the payment of office lease \$24,000.

Payments to Nova Legal (a company of which Chris Zielinski is a Director) included legal fees of \$31,616.

Loans to Key Management Personnel

There are no loans to key management personnel.

End of Audited Remuneration Report

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	<u>Directors meetings</u>	
Number of meetings held:	10	
Number of meetings attended:		
Mr Chris Zielinski	10	
Mr Patrick Glovac	10	
Mr Troy Hayden	2	Appointed 11 Mar 2020
Ms Anna MacKintosh	1	Appointed 11 February 2020 resigned 11 Mar 2020
Mr Jason Brewer	7	Resigned 11 February 2020

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's Independence and Non-Audit Services

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 audit of the financial report. This Independence Declaration is set out on page 16 and forms part of this directors' report for the year ended 30 June 2020.

Non-Audit Services

No non-audit services were provided during the year by the auditor other than what has been disclosed in Note 18. The Company may deploy the auditors for non-audit services in the future.

Signed in accordance with a resolution of the directors.

Dated: 30 September 2020



P Glovac
Executive Director

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

As lead auditor of Global Oil & Gas Limited for the year ended 30 June 2020, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 30 September 2020

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 \$	2019 \$
Continuing operations			
Income			
Interest income	2	54,800	439,068
Other income	2	75,000	55,000
ATO cashflow boost	2	15,000	-
		144,800	494,068
Expenses			
Provision for non-recovery of CIS loan		-	587,529
Loss of sale of investments		-	3,588
Employee benefits expense		207,575	175,730
Expected credit loss adjustment to financial assets (CVS Loan)		27,222	917,135
Technical consultants and contracts		17,487	103,724
Occupancy expenses		22,000	36,542
Travel expenses		1,091	20,564
Administration expenses	2	309,537	348,587
Share based payment	12	30,141	14,000
Other		43	519
		470,295	1,713,850
Loss before income tax expense		470,295	1,713,850
Income tax benefit	3	-	-
Loss after income tax for the year from continuing operations		470,295	1,713,850
Loss from discontinued operations		-	2,303,026
Loss for the Year		470,295	4,016,876
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
		-	-
Total comprehensive loss for the year attributable to owners of the Company		470,295	4,016,876
Basic loss per share for the year attributable to the members of Global Oil and Gas Ltd (cents per share)			
	5	0.182 cents	1.725 cents
Loss per share for the year attributable to the members of Global Oil and Gas Ltd (cents per share) for continuing operations			
		0.182 cents	0.736 cents

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Notes	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	6	405,140	280,752
Prepayments	7	4,602	13,288
Financial assets	7	5,000	-
Asset held for sale	8	-	1,240,000
Total current assets		414,724	1,534,040
Non-current assets			
Financial Assets	7	364,302	340,265
Deferred exploration and evaluation expenditure	8	1,257,536	-
Total non-current assets		1,621,838	340,265
Total assets		2,036,580	1,874,305
Liabilities			
Current liabilities			
Trade and other payables	9	84,740	41,884
Total current liabilities		84,740	41,884
Total liabilities		84,740	41,884
Net assets		1,951,840	1,832,421
Equity			
Issued capital	10	56,333,191	55,773,618
Reserves	12	30,141	-
Accumulated losses	11	(54,411,492)	(53,941,197)
Total equity		1,951,840	1,832,421

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

Consolidated	Notes	Issued capital \$	Reserves	Accumulated Losses	Total equity \$
Balance at 1 July 2018		54,979,537	-	(49,924,321)	5,055,216
Loss for the year		-	-	(4,016,876)	(4,016,876)
Total comprehensive loss for the year		-	-	(4,016,876)	(4,016,876)
<i>Transactions with owners in their capacity as owner</i>					
Share Issue	10	799,000	-	-	799,000
Share Issue Costs	10	(4,919)	-	-	(4,919)
Balance at 30 June 2019		55,773,618	-	(53,941,197)	1,832,421
Balance at 1 July 2019		55,773,618	-	(53,941,197)	1,832,421
Loss for the year		-	-	(470,295)	(470,295)
Total comprehensive loss for the year		-	-	(470,295)	(470,295)
<i>Transactions with owners in their capacity as owner</i>					
Share Issue	10	600,000	-	-	600,000
Share Issue Costs	10	(40,427)	-	-	(40,427)
Performance Rights	12	-	30,141	-	30,141
Balance at 30 June 2020		56,333,191	30,141	(54,411,492)	1,951,840

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(514,631)	(1,018,520)
Interest Received		3,542	2,726
ATO cashflow boost		10,000	-
Miscellaneous Income		75,000	55,000
Net cash outflows from operating activities	6	(426,089)	(960,794)
Cash flows from investing activities			
Proceeds from held for trading investments		-	86,000
Loans to other entities		-	(151,187)
Exploration and evaluation expenditure		(9,095)	(49,796)
Net cash (outflows)/ inflows from investing activities		(9,095)	(114,983)
Cash flows from financing activities			
Proceeds from issue of shares		600,000	785,000
Payments for share issue costs		(40,427)	(4,919)
Net cash inflows from financing activities		559,573	780,081
Net increase/(decrease) in cash and cash equivalents		124,388	(295,696)
Cash and cash equivalents at the beginning of the year		280,752	576,448
Cash and cash equivalents at the end of the year	6	405,140	280,752

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This General Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Going Concern

For the period ended 30 June 2020 the Group made a loss of \$470,295 (2019: \$4,016,876) and had cash outflows from operating activities of \$426,089 (2019: \$960,794).

These conditions indicate a material uncertainty that may cast a significant doubt about the Group'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

The Board believe that the measures it has taken, enables the Company to prepare the financial reports on a going concern basis. Subsequent to 30 June 2020, the Company undertook a Placement of 142,857,143 fully paid shares with (1 for 3 free attaching option) at an issue price of \$0.007 each to qualified sophisticated and professional investors, raising up to \$1 million dollars before costs. Tranche 1 shares 39,118,753 shares were issued 12 August raising \$273,831 before costs. Tranche 2 of the Placement of 103,738,390 fully paid ordinary shares is subject to shareholder approval. In addition a Non Renounceable Rights Issue was announced on the 28th August of up to 99,970,146 new shares on the basis of one New share for every three existing shares held by shareholders at an issue price of \$0.007 per new share together with one free attaching option for every three New shares subscribed for. The Rights Issue will raise up to \$699,791 before expenses. Please refer to subsequent event Note 17.

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.

COVID -19

The COVID -19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations and measures taken by various governments has not had a significant impact on the financial results for the 30 June 2020 reporting period. The only known impacts of COVID-19 on the group is the delay in some exploration activities due to travel and quarantine restrictions. In some instances the Company was able to obtain a 50% deferment in payment from some Creditors, however all outstanding amounts due at 30 June 2020 were paid.

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(e).

Functional and presentation currency

The functional currency of the Group is measured using the currency of the primary economic environment in which the entity operates, however the financial statements are presented in Australian dollars, which is the economic environment that the parent operates.

(b) Adoption of new and revised standards

A number of new or amended standards became applicable for the current reporting period and the Group has changed its accounting policies as a result of the adoption of the following standards:

- AASB 16 Leases

The adoption of AASB 16 has no material impact on the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.

(b) Adoption of new and revised standards (continued)

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2020.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

(c) Statement of compliance

The financial report was authorised for issue by the directors on 30 September 2020. The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Global Oil and Gas Limited ('Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the period then ended. Global Oil and Gas Limited and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.

(e) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model. For equity instruments with market based vesting conditions, a Barrier 1 Valuation model is used.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Impairment of exploration expenditure

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. When assessing impairment of exploration and evaluation assets, the carrying amount of exploration and evaluation is compared to its recoverable amount. The estimated recoverable amount is used to determine the extent of the impairment loss (if any).

Asset held for Sale

Non-current assets held for sale and disposal groups Are classified as held for sale when:

- They are available for immediate sale;
- Management is committed to a plan to sell;
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- An active programme to locate a Buyer has been initiated;
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of;

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets are not depreciated. The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the profit or loss of the discontinued operation along with the gain or loss of the re-measurement to fair value less costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for impairment of receivable

The loss allowance for financial assets are based on assumptions about risk of default and expected credit loss rate. The Group uses judgement in making these assumptions and selecting the input to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Global Oil and Gas Limited.

(g) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Government Grants

Grants relating to income are presented as part of profit or loss under the heading "Other Income"

(h) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Goods and Services taxes

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

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

The net amount of GST 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 statement of cash flows on a gross basis and the GST 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(l) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. Other receivables are recognised at amortised cost less an allowance for expected credit loss.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the Statement of Profit or Loss and other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income. Refer Note 7 also

(m) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(o) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(q) Share-based payment transactions

Equity settled transactions

The Group in a previous financial year provided benefits to employees of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). During the current year, share based payment in the form of Performance Rights were granted to Directors. Refer to Note 12 for further information.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Global Oil and Gas Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Profit or Loss and Other Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. Refer Note 5.

(r) Issued capital

Ordinary shares are classified as equity. 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(s) Loss per share

Basic loss per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share is calculated as net loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(t) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(u) Parent entity financial information

The financial information for the parent entity, Global Oil and Gas Limited, disclosed in Note 16 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

(v) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 2: OTHER INCOME AND EXPENSES

	2020	2019
	\$	\$
<i>Other Income</i>		
Interest income - Consolidated Iron Sands Loan	-	436,343
Bank Interest Income	3,542	2,725
CVS Loan interest	51,258	-
Other – Westmarket option fee and deposit	75,000	55,000
ATO cashflow boost	15,000	-
	144,800	494,068

	2020	2019
	\$	\$
<i>Administrative Expenses</i>		
Legal Fees	39,948	82,788
Share Registry Fees	86,942	92,369
Company Secretarial/Accounting/Bookkeeping fees	67,555	81,219
Audit Fees	34,031	27,852
Other	81,061	64,359
Total administrative expenses	309,537	348,587

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3: INCOME TAX

Income tax recognised in profit or loss

The major components of tax expense are:

	2020	2019
	\$	\$
Current tax expense/(income)	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
	-	-

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

	2020	2019
	\$	\$
Accounting loss before tax from continuing operations	(470,295)	(4,016,876)
Gain before tax from discontinued operations	-	-
Accounting loss before income tax	(470,295)	(4,016,876)
Income tax benefit calculated at 30% (2019: 30%)	(141,089)	(1,205,063)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenditure/(Non-assessable income)		
Entertainment	174	-
Shares based payments	9,042	4,200
Non-assessable Income	(27,000)	(136,903)
Other non-deductible expenditure	8,167	452,476
Timing Movements not recognised	(9,352)	671,389
Losses not recognised	160,053	213,900
Income tax benefit reported in the consolidated statement of comprehensive income	0	0
Income tax attributable to discontinued operations	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2019: 30.0%) payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax asset

Tax losses	962,181	800,317
40-880	26,947	21,284
Accruals + Provisions	5,700	5,931
	994,828	827,533
Off-set of deferred tax liabilities	(378,641)	(375,986)
Net deferred tax assets	616,186	451,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The consolidated entity operates in a single business segment being oil and gas exploration in Australia.

The company is domiciled in Australia. All revenue from external parties is generated from Australia only. All the assets are located in Australia, investing in opportunistic/distressed situations where both short and long term rewards may be produced for shareholders.

NOTE 5: LOSS PER SHARE

	2020 Cents per share	2019 Cents per share
<i>Basic loss per share</i>		
Loss after income tax	(0.182)	(1.725)
Loss from continuing operations	(0.182)	(0.736) ⁽ⁱ⁾

Basic loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2020 \$	2019 \$
Loss	(470,295)	(4,016,876)
Loss from continuing operations	(470,295)	(1,713,850)

	2020 Number	2019 Number
Weighted average number of ordinary shares for Basic earnings per share	257,922,832	232,908,257 ⁽ⁱ⁾

(i) 2019 figure adjusted on a consolidated basis (1 for 12)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 6: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and on hand	405,140	280,752

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation of loss for the year to net cash flows from operating activities

	2020	2019
	\$	\$
Loss for the year	(470,295)	(4,016,876)
Impairment of exploration expenditure	-	2,303,026
Provision for non-recovery of loans	27,222	587,529
CVS loan interest non cash	(51,258)	-
Profit/loss on disposal of shares	-	3,588
Fair value adjustment	-	559,735
Loan amendment (waive of Rights and fees)	-	357,400
Share based payment	30,141	14,000
Exploration expensed	1,559	-
Other	(10,001)	-
Interest accrued	-	(436,343)
(Increase)/decrease in assets:		
Trade and other receivables	(5,000)	-
Prepayment	8,686	(13,288)
Increase/(decrease) in liabilities:		
Trade and other payables	42,857	(319,565)
Net cash (outflow) from operating activities	(426,089)	(960,794)

NOTE 7: PREPAYMENTS AND OTHER FINANCIAL ASSETS

		2020	2019
		\$	\$
<i>Current</i>			
Prepayments – D&O Insurance		4,602	13,288
Trade and other receivables		5,000	-
		9,602	13,288
<i>Non-Current</i>			
Financial Asset at amortised cost			
Loan to unrelated entity – unsecured (Cervantes Corporation Ltd)	(i)	1,257,400	1,257,400
Loan amendment (waive of Rights and Fees)	(i)	(357,400)	(357,400)
Provision for loss allowance	(i)	(586,956)	(559,735)
CVS interest	(i)	51,258	-
Net loan amount		364,302	340,265
Loans to unrelated entities – secured (CIS)		4,301,168	4,301,168
Provision for non-recovery of loan		(4,301,168)	(4,301,168)
Net loan amount		-	-
Grand total		364,302	340,265

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7: PREPAYMENTS AND OTHER FINANCIAL ASSETS cont.

New accounting standard AASB 9 Financial Instruments requires the Company to conduct a credit risk assessment of this loan. To comply with AASB 9 Financial Instruments, the Board calculated the present value of the loan \$900,000 (repayable June 2021) to be received in approximately 1 year assuming a 15% interest rate, and applying a discount for credit risk. The present value is \$782,609 and a credit assessment has been made whereby a probability of default percentage of 60% is applied. As a result the fair value of the loan amounts to \$364,302 which includes an interest component of \$51,258.

NOTE 8: EXPLORATION AND EVALUATION

On the 12th June 2019 Global Oil and Gas Limited (“**Global**” or “**the Company**”) obtained shareholders approval pursuant to Listing Rule 11.2 in relation to the sale of its 100% owned Exploration Permit 127, the Southern Georgina Project.

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.

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

	2020	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	17,356	-
Provision for Impairment	-	-
Closing balance	1,257,356	-

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

NOTE 9: TRADE AND OTHER PAYABLES (CURRENT)

	2020	2019
	\$	\$
Trade payables	35,432	14,483
Accruals	36,280	19,500
Payroll Liabilities	5,861	270
Sundry Creditors	7,167	7,631
	84,740	41,884

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in Note 13.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 10: ISSUED CAPITAL

	Number	2020 \$	Number	2019 \$
Ordinary shares issued and fully paid (i)	260,791,684	56,333,191	235,789,992	55,773,618

(i) Issued capital was consolidated on a 1 for 12 basis in June 2020. The 2019 issued capital number has been adjusted accordingly and on the same basis for comparison purposes. This was approved by shareholders at the meeting held 22 May 2020.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Movement in ordinary shares on issue

	2020		2019	
	Number	\$	Number	\$
Balance at beginning of year	2,829,479,904	55,773,618	2,695,146,598	54,979,537
Placement August 2019	300,000,000	600,000		
Share based payment for services 27 Feb 2019	-	-	3,500,000	14,000
Share Purchase Plan 28 September 2018	-	-	130,833,306	785,000
Capital Raising Costs	-	(40,427)	-	(4,919)
Consolidation 1 for 12 - June 2020 (i)	(2,868,688,220)	-	-	-
Balance at end of year	260,791,684	56,333,191	2,829,479,904	55,773,618

(i) Consolidation of shares approved by Shareholders 22 May 2020	No. of shares
Issued shares as at 22 May 2020	3,129,479,904
Consolidation 1 share for 12 shares held	<u>(2,868,688,220)</u>
Issued shares post consolidation	<u>260,791,684</u>

NOTE 11: ACCUMULATED LOSSES

	Consolidated Entity	
	2020 \$	2019 \$
Accumulated losses at the beginning of the year	(53,941,197)	(49,924,321)
Net loss for the year	(470,295)	(4,016,876)
Accumulated Losses at the end of the year	(54,411,492)	(53,941,197)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: SHARE BASED PAYMENTS

Performance Rights (termed 'series 1') were granted to Directors on the 21 November 2019 (approved at the Company's Annual General Meeting 'AGM'). These performance rights had market based conditions attached, being various Volume Weighted Average Price ('VWAP') hurdles.

Subsequent to grant date, these performance rights were voluntarily cancelled by Directors on 9 April 2020 and replaced with alternative performance rights (termed 'series 2'). The cancellation was as a result of the Sale of EP 127 not proceeding, the Company restructure and refocus, as well as the consolidation of its' issued capital.

The alternative performance rights were formalised and granted following shareholder approval at the Company's General Meeting on 22 May 2020. These performance rights had market based conditions attached, being various Volume Weighted Average Price ('VWAP') hurdles.

As a result of this arrangement, in accordance with the requirements of AASB 2 Share-Based Payments, modification accounting to the share based payment arrangement was applied. This required the fair value of the original series 1 to be determined on modification date in addition to determining the fair value of the new series 2. The fair value assessments formed the share-based payment expense recognised for the year ended 30 June 2020.

The fair value assessment performed by management are detailed below. A total share-based payment expense of \$30,141 was recognised for the year ended 30 June 2020 in relation to these arrangements.

Series 1	Number	Grant date	Expiry date	Vesting Hurdle (20 day VWAP)	Fair value
<u>Directors</u>					
1. Class A Performance Rights (i)	2,500,000	9/4/2020	8/4/2023	\$0.072	\$0.0051
2. Class B Performance Rights (ii)	2,500,000	9/4/2020	8/4/2023	\$0.108	\$0.0040
2. Class C Performance Rights (ii)	2,500,000	9/4/2020	8/4/2023	\$0.180	\$0.0028

(i) As in Note 10, during the year there was a share consolidation on a 1 for 12 basis in April 2020. Accordingly the 7,500,000 are reported on a post consolidation basis.

(ii) On the 11th February 2020, Jason Brewer resigned from the company. As a result 30 million Performance Rights granted to Jason Brewer were cancelled on 11 March 2020.

(iii) 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 is tabled below.

Item	Class A	Class B	Class C
Valuation date	9/4/2020	9/4/2020	9/4/2020
Spot price	\$0.010	\$0.010	\$0.010
Exercise price	\$0.00001	\$0.00001	\$0.00001
Vesting hurdle (20-day VWAP)	\$0.072	\$0.108	\$0.180
Expiry date	8/4/2023	8/4/2023	8/4/2023
Expected future volatility	100%	100%	100%
Risk free rate	0.25%	0.25%	0.25%
Dividend yield	Nil	Nil	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

As a result, a share based payments expense, as recognised within 'share based payment' for the year ended 30 June 2020 was \$16,532. This amount includes the incremental fair value difference between the fair value of the performance rights on grant date (21 November 2019) and at the date of modification (9 April 2020). This reflects the total fair value of the performance rights over the three year vesting period.

Series 2 Performance Rights

Series 2	Number	Grant date ⁽ⁱ⁾	Expiry date	Vesting Hurdle (20 day VWAP)	Fair value
<u>Directors</u>					
1. Class A Performance Rights (i)	10,000,000	22/5/2020	21/5/2023	\$0.024	\$0.0102
2. Class B Performance Rights (i)	10,000,000	22/5/2020	21/5/2023	\$0.036	\$0.0090
2. Class C Performance Rights (i)	10,000,000	22/5/2020	21/5/2023	\$0.048	\$0.0081

(i) Date shareholder approval was obtained for the revised performance rights.

(ii) 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 is tabled below.

Item	Class A	Class B	Class C
Valuation date	22/5/2020	22/5/2020	22/5/2020
Spot price	\$0.012	\$0.012	\$0.012
Exercise price	\$0.00001	\$0.00001	\$0.00001
Vesting hurdle (20-day VWAP)	\$0.024	\$0.036	\$0.048
Expiry date	21/5/2023	21/5/2023	21/5/2023
Expected future volatility	100%	100%	100%
Risk free rate	0.30%	0.30%	0.30%
Dividend yield	Nil	Nil	Nil

As a result, a share based payment expense, as recognised within 'share based payment' for the year ended 30 June 2020 was \$13,609. This reflects the total fair value of the performance rights over the three year vesting period.

Share Based Payment Reserve	2020	2019
	\$	\$
Opening Balance	-	-
Share based payment	30,141	-
Share based payment reserve closing balance	30,141	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents (no debt) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, and general administrative outgoings.

Categories of financial instruments

	2020 \$	2019 \$
<u>Financial assets</u>		
Cash and cash equivalents	405,140	280,752
Loan to unrelated entity – Cervantes Loan	313,044	340,265
Trade and other receivables	5,000	-
	<u>723,184</u>	<u>621,017</u>
Total		
<u>Financial liabilities</u>		
Trade and other payables	<u>48,460</u>	<u>22,384</u>

Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Credit Risk

The Group is exposed to credit risk on its loans to unrelated entities, as disclosed in Note 1 and Note 7.

Liquidity Risk

Management monitors rolling forecasts of the Group's cash reserves on the basis of expected cash flows. The Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to pay debts as and when they become due and payable.

Fair value of Loans to Unrelated Entities at amortised Cost

The fair value of loans are classified as level 3 fair value in the fair value hierarchy due to inclusion of unobservable inputs in deciding counterparty credit risk, as disclosed in Note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE PERIOD ENDED 30 JUNE 2020

NOTE 14: COMMITMENTS AND CONTINGENCIES

a) Explorations commitments

Under the requirements of the Northern Territory Department of Mines and Petroleum, the Company has an annual minimum expenditure of \$500,000 on the granted tenements.

Tenement	Date Acquired	Annual Expenditure Commitment 2020	Annual Expenditure Commitment 2019
		\$	
EP127	14 September 2015	500,000	500,000
Total		500,000	500,000

In order to retain the rights of tenure to its granted tenements, the Company is required to meet the minimum statutory expenditure requirement but may reduce these at any time by reducing the size of the tenements. The figure below assumes that no new tenements are granted and the only compulsory statutory area reductions are made.

	\$
Not later than 1 year	500,000
Later than 1 year but not later than 5 years	9,350,000
Total	9,850,000

NOTE 15: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Global Oil & Gas Limited and the subsidiaries listed in the following table. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Country of incorporation	2020 %	2019 %
Parent Entity			
Global Oil and Gas Limited	Australia		
Subsidiaries			
Baraka Minerals Pty Ltd	Australia	100	100
Goldfleet Enterprises Pty Ltd	Australia	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE PERIOD ENDED 30 JUNE 2020

Key Management Personnel Remuneration

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report. Total remuneration paid to key management personnel is as follows:

	2020 \$	2019 \$
<i>Remuneration type</i>		
Short-term employee benefits	190,000	159,517
Other	-	116,700
Post employment benefit	17,575	14,395
Equity based payment	30,141	-
Total	237,716	290,612

Payments were made to GTT Ventures Pty Ltd (a company of which Patrick Glovac is a Director and shareholder) and included the following:

Office Lease \$24,000

Payments were made to Nova Legal (a company of which Chris Zielinski is a Director) included the following:
Legal fees \$31,616

Loans to Key Management Personnel

There were no loans to Key Management Personnel.

Other transactions and balances with Key Management Personnel

Nil

NOTE 16: PARENT ENTITY DISCLOSURES

Financial position

	2020 \$	2019 \$
<u>Assets</u>		
Current assets	414,742	1,534,040
Non-current assets	1,621,838	340,265
Total assets	2,036,580	1,874,305
<u>Liabilities</u>		
Current liabilities	84,740	41,884
Non-current liabilities	-	-
Total liabilities	84,740	41,884
<u>Equity</u>		
Issued capital	56,331,191	55,773,618
Reserves	30,141	-
Accumulated losses	(54,411,492)	(53,941,197)
Total equity	1,951,840	1,832,421

Financial performance

	2020 \$	2019 \$
Loss for the period	(470,295)	(4,016,876)
Other comprehensive loss	-	-
Total comprehensive loss	(470,295)	(4,016,876)

Global Oil and Gas Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont. FOR THE PERIOD ENDED 30 JUNE 2020

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

COVID -19

The COVID-19 pandemic has developed rapidly in 2020 with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home).

We will continue to follow the various government policies and advice and in parallel we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

Investment in Goshawk Energy Corporation

On the 12th August 2020 the Company announced that it had entered into an exclusive Heads of Agreement for the option to acquire a 20% equity interest in Goshawk Energy Corporation Pty Ltd ("Goshawk"). Goshawk owns several strategic licences, which are prospective for oil and gas located in Western Australia's Canning Basin covering an area of approximately 40,800km². The Company made the decision after conducting due diligence to proceed with the acquisition on 3rd September 2020.

As part of this transaction the Company announced the Placement of 142,857,143 fully paid shares with (1 for 3 free attaching option) at an issue price of \$0.007 each to qualified sophisticated and professional investors, raising up to \$1 million dollars before costs. Tranche 1 shares 39,118,753 shares were issued 12 August raising \$273,831 before costs. Tranche 2 of the Placement of 103,738,390 fully paid ordinary shares is subject to shareholder approval. In addition a Non Renounceable Rights Issue was announced on the 28th August of up to 99,970,146 new shares on the basis of one New share for every three existing shares held by shareholders at an issue price of \$0.007 per new share together with one free attaching option for every three New shares subscribed for. The Rights Issue will raise up to \$699,791 before expenses.

A Notice of Meeting is currently being drafted and will provided to shareholders in coming weeks.

NOTE 18: AUDITOR'S REMUNERATION

The auditor of Global Oil and Gas Limited is BDO Audit (WA) Pty Ltd. The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

<u>Auditors of the Group- BDO and related network firms</u>	2020	2019
	\$	\$
<i>Auditor of the parent entity</i>		
Audit or review of the financial statements	34,031	30,852
	34,031	30,852
<i>Taxation and other advisory services</i>		
Taxation	6,055	850
Total services provided by BDO	40,086	35,610

DIRECTORS' DECLARATION

1. In the opinion of the directors of Global Oil and Gas Limited (the 'Company'):
 - a. the accompanying financial statements and notes 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 2020 and of its performance for the period then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - 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.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2020.

This declaration is signed in accordance with a resolution of the Board of Directors.



P Glovac
Executive Director

Dated 30 September 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Global Oil & Gas Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Global Oil & Gas Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is 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 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material uncertainty related to going concern

We draw attention to Note 1(a) 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 8 to the financial report, the carrying value of the exploration and evaluation asset represents a significant asset of the Group.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation expenditure required significant judgement by management in determining whether there are any facts or circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures, included but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of ongoing exploration programs in the respective areas of interest by holding discussions with management and reviewing the Group's cash flow budget for the level of budgeted spend on exploration projects; • Considering whether any areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether there are any other facts or circumstances that existed to indicate impairment testing was required; and; • Assessing the adequacy of the related disclosures in Note 1(t) and Note 8 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Global Oil & Gas Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.



Responsibilities

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 Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO


Dean Just

Director

Perth, 30 September 2020

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance disclosure is available on the Company's website at:
www.globaloilandgas.com.au

ADDITIONAL SECURITIES EXCHANGE INFORMATION

ASX additional information as at 15 September 2020

Number of holders of equity securities 4,082

Ordinary share capital

299,910,437 fully paid ordinary shares are held by individual shareholders.

All issued ordinary shares carry one vote per share.

Distribution of holders of equity securities

	<u>Number of holders</u>	<u>Fully paid ordinary shares</u>
1 – 1,000	694	352,716
1,001 – 5,000	1,066	2,906,585
5,001 – 10,000	540	4,083,174
10,001 – 100,000	1,288	47,868,334
100,001 and over	494	244,699,628
	4,082	299,910,437

Holding less than a marketable
parcel

2,942

Substantial shareholders	% held	Fully paid ordinary shares Number
Citicorp Nominees Pty Ltd	5.24	15,715,289

ADDITIONAL SECURITIES EXCHANGE INFORMATION cont.

Twenty largest holders of quoted equity securities

Ordinary shareholders	Fully paid ordinary shares	
	Number	Percentage
Citicorp Nominees Pty Ltd	15,715,289	5.24
Abundantia Gold Coast Pty Ltd	5,667,500	1.89
BNP Paribas Pty Ltd and assoc	4,581,212	1.53
Hix Corp Pty Ltd	4,425,000	1.48
Sawaqed Investments Pty Ltd	4,250,000	1.42
Mr Aaron James Rainbow	3,300,000	1.1
JP Morgan Nominees Pty Ltd	3,050,563	1.02
Mr Michael Robert Hodgetts	2,916,667	0.97
Merrill Lynch Nominees Pty Ltd	2,593,351	0.86
Mr George Haydarieh	2,500,001	0.83
Mr Dominic Furfaro & Mrs Josephine Furfaro	2,500,000	0.83
Empire Capital Partners Pty Ltd	2,328,284	0.78
Mr Jacob Antoni Lay	2,317,982	0.77
Murdoch Capital Pty Ltd	2,083,334	0.69
Ms Suchitra Samuel	2,016,136	0.67
Mr Samuel Mcquarrie Bennett	2,003,502	0.67
JKS Group Holdings Pty Ltd	2,000,069	0.67
Broken Ridge Pty Ltd	1,958,334	0.65
GA Armstrong Superannuation Pty Ltd	1,828,500	0.61
Mr William Ross Burrell	1,774,444	0.59
	69,810,168	23.28

Company Secretary

Mrs Anna MacKintosh

On-market buy-back

Currently there is no on-market buy-back of the Company's securities

Registered and principal office

22 Townshend Road
Subiaco WA 6008

Share registry

Advanced Share Registry

SCHEDULE OF TENEMENTS

As at 30 June 2020

Project / Tenement	Nature of Interest
Northern Territory	
Southern Georgina Basin EP 127	100%