

24th May 2023

ASX ANNOUNCEMENT

Offshore Petroleum Application

Highlights

- **Non-binding Term Sheet signed with Jaguar Exploration, Inc relating to an area in Peruvian waters that is available for offshore petroleum exploration (“Block”) covering an area of approximately 4,345km² in the Tumbes and Talara Basins**
- **GLV has jointly submitted the required documentation to be awarded a Technical Evaluation Agreement (“TEA”) covering the Block**
- **Upon receipt of a formal offer of the TEA, the Company accepting the TEA and reaching of definitive agreements, GLV will incorporate a new Peruvian subsidiary (unlisted) for the purposes of the TEA with an 80% ownership**
- **The outcome of the TEA is expected within 30 days**

Global Oil & Gas Limited (ASX: GLV) (**Company**) has entered into a non-binding term sheet (**Term Sheet**) with Jaguar Exploration, Inc. (a US based oil and gas exploration company) (**Jaguar**) for the application and potential interest in an offshore exploration block in Peruvian waters (Figure A).



Figure A - Block Z-70 location

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The key terms of the Term Sheet are as follows:

- (a) Non-binding and subject to execution of definitive binding agreements. Jaguar has granted the Company exclusivity until such definitive binding agreements are entered into, which is anticipated to occur upon successful grant of the TEA.
- (b) The parties will jointly prepare and submit an application as part of a competitive process to enter into a TEA in respect of Block Z-70 which covers an area of approximately 4,345km² in the Tumbes and Talara Basins, offshore Peru.
- (c) If the application for the TEA is successful, the parties will form a joint venture in respect of the TEA. The initial workings interest of the Company and Jaguar will be 80% and 20% respectively. Jaguar's interest will be free-carried from the date of grant of the TEA up until completion of the first exploration well. It is anticipated that a third party farm-in partner will ultimately be introduced to fund the drilling of any exploration well in the event suitable prospects are identified within the Block.
- (d) It is proposed that the consideration payable by the Company to Jaguar in the event the TEA is awarded will be as follows:
 - (i) US\$40,000 as cost reimbursement for preparing and submitting the TEA application;
 - (ii) US\$225,000 in cash; and
 - (iii) subject to shareholder approval, 25,371,695 fully paid ordinary shares in the capital of the Company.
- (e) The Term Sheet will terminate in the event the application for the TEA is unsuccessful. Either party may withdraw from the joint venture if it does not wish to proceed to a licence contract.

The Company notes that, negotiations are incomplete, confidential and subject to execution of definitive binding agreements. There can be no certainty that a binding agreement will be entered into or that any transaction will eventuate. The Company will keep the market informed in accordance with its continuous disclosure obligations and provide full details of the material terms of any definitive binding agreement.

TEA

Under a TEA, interested companies can carry out studies, works and activities that use non-intrusive geophysical methods, aerogravimetry, aero-magnetometry, geochemistry, geology, cartography, photogeology and, in general, surface prospecting activities, use of remote sensors, geological-geophysical re-assessment of the existing information in the data bank of Perupetro S.A (the Peruvian oil and gas regulator), seismic reprocessing, field geology, sampling and geochemical analysis.

The TEA will allow the Company and Jaguar to evaluate the Block for a period of up to 2 years with no minimum expenditure requirement. However, it is anticipated that

the Company will spend approximately \$US250,000 during this period towards completing desktop studies and compiling available data in respect to Block Z-70 in accordance with the TEA in order to identify potential prospects, as well as toward consulting fees and costs associated with any farm-out process.

Following this evaluation period, the TEA will give the Company and Jaguar (subject to fulfilling their commitments under the TEA) the right to enter into a licence contract for the exploration and exploitation of hydrocarbons in the area of the Block.

Jaguar

Jaguar is a leading independent geoscience company and was founded in 2000. Jaguar has been responsible for the compilation of all historic 2D and 3D data across the Tumbes and Talara Basins as well as the compilation of all historic well data (petrophysical logs and well/production data). From this information Jaguar has identified several oil and gas prospects and delineated an area of interest that now defines the TEA area. Given this is the core business of Jaguar (Geoscience business), GLV has relied heavily on their expertise to work up the prospect.

The consideration being paid is to remunerate Jaguar for the technical work undertaken to date at the project. This technical data is now available to the Company.

Jaguar (and its controller) is not a related party or substantial holder of the Company.

Authorised by the Board of Global Oil & Gas Limited.

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