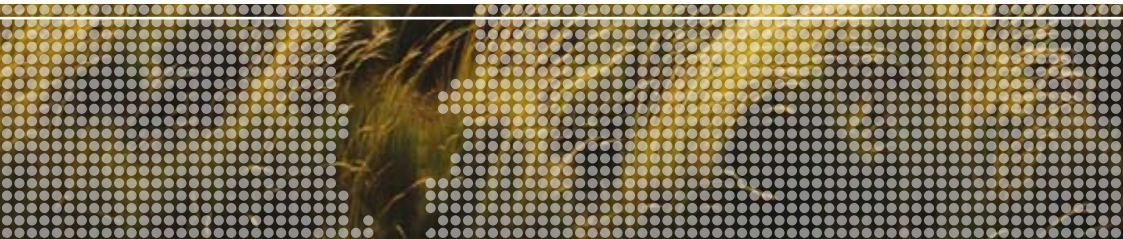




Global
Energy Development PLC

Identifying and realising potential
Global Energy PLC Interim Report 2011



Global Energy Development PLC is a petroleum exploration and production company focused on Latin America, an area in which the management team has decades of operating experience and in which they have pursued a long-term strategy of finding and developing reserves.

Contracts

The Company's balanced portfolio covers the countries of Colombia and Peru, and comprises a base of production, workover opportunities and developmental drilling.

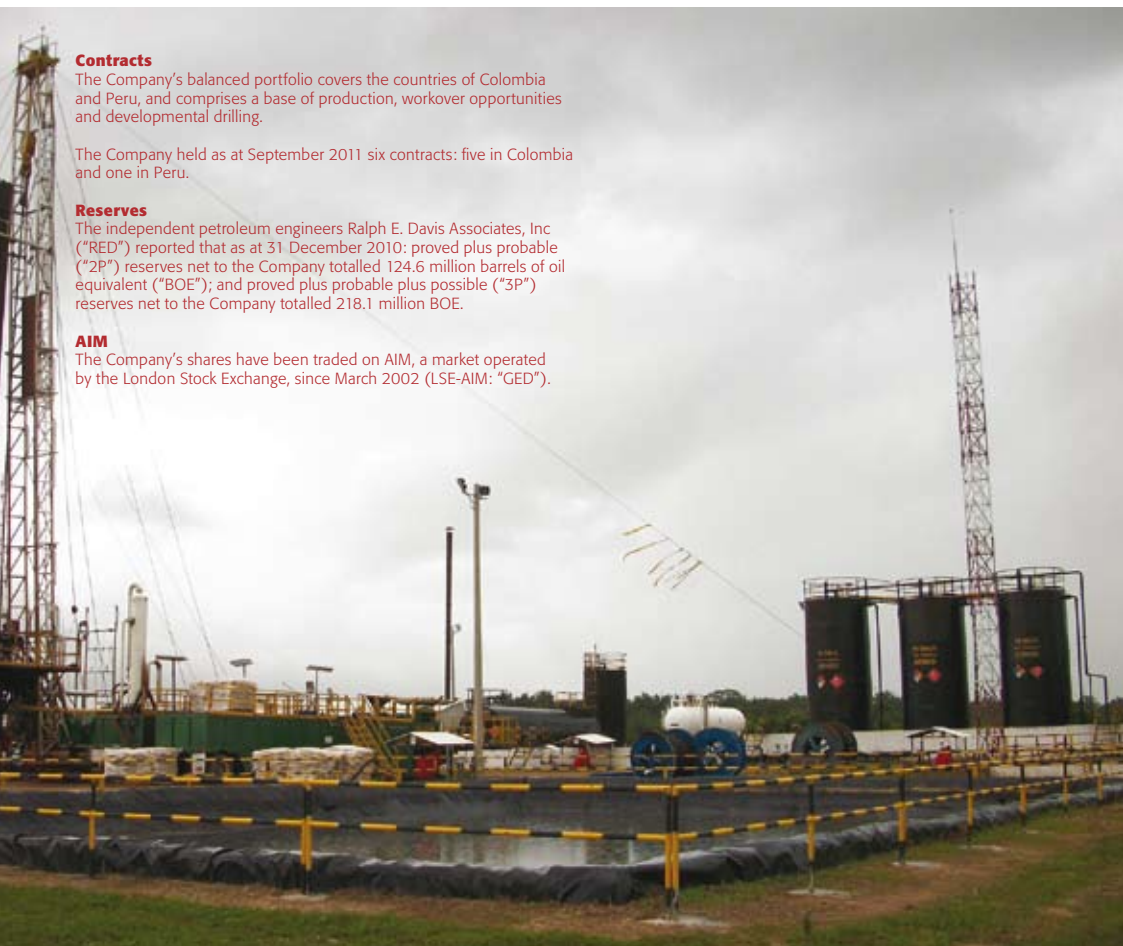
The Company held as at September 2011 six contracts: five in Colombia and one in Peru.

Reserves

The independent petroleum engineers Ralph E. Davis Associates, Inc ("RED") reported that as at 31 December 2010: proved plus probable ("2P") reserves net to the Company totalled 124.6 million barrels of oil equivalent ("BOE"); and proved plus probable plus possible ("3P") reserves net to the Company totalled 218.1 million BOE.

AIM

The Company's shares have been traded on AIM, a market operated by the London Stock Exchange, since March 2002 (LSE-AIM: "GED").



Highlights

- Net Profit of \$3.9 million (first half of 2010: \$1.3 million Net Loss);
- Revenue increased by 52% to \$17.1 million on comparable prior period (first half of 2010: \$11.3 million);
- Gross profit increased by 138% to \$7.4 million on comparable prior period (first half of 2010: \$3.1 million);
- Average gross production increased 15% at 244,040 barrels of oil (“bbls”) on comparable prior period (first half of 2010: 212,692 bbls);
- As a result of the successful workover programme of the Tilodiran 2 and 3 wells within the Colombian Rio Verde contract, gross production for the month of June 2011 increased 86% to 68,317 bbls (month of June 2010: 36,642 bbls);
- Average cash netback per barrel sold of \$61 (first half of 2010: \$43);
- Tax credit of \$1.2 million reflected in the income statement as a result of realised tax losses reported to the Colombian tax authorities and also due to favourable fluctuations in the peso-dollar exchange rate;
- Capital expenditures of \$3.3 million, predominantly related to the successful workover programme of the Tilodiran 2 and 3 wells and improved surface handling facilities;
- Debt repayments of \$1.3 million, funded out of cash flow from operations and cash available; and
- Purchase and cancellation of \$0.6 million in variable coupon convertible notes due 2012 plus all accrued interest in consideration for the issue of 317,000 ordinary shares of 1p each.

Contents

01	Highlights
02	Chairman and Managing Director’s Statement & Review of Operations
04	Unaudited Financial Highlights
04	Reserve Information – UK GAAP
05	Independent Review Report to Global Energy Development PLC
06	Condensed Consolidated Statement of Comprehensive Income
07	Condensed Consolidated Statement of Financial Position
08	Condensed Consolidated Cash Flow Statement
09	Condensed Consolidated Statement of Changes in Equity
10	Unaudited Notes Forming Part of the Condensed Consolidated Interim Financial Information
16	Corporate Directory

Chairman and Managing Director's Statement & Review of Operations

Financials

Favourable oil pricing along with an increase in the Company's daily production volumes generated the significantly improved results reported by the Company for the first half of 2011 (the "Period"). Revenues for the six months ended 30 June 2011 increased 52% to \$17.1 million (six months ended 30 June 2010: \$11.3 million). Crude oil commodity prices increased during the Period with the Company averaging \$93.59 per barrel ("bbl"), a 36% increase against \$68.97 per bbl in the first half of 2010.

As a result of the successful workover programme completed in June 2011 on the Company's Tilodiran 2 and Tilodiran 3 wells within the Colombian Rio Verde Concession Contract, net production (after all royalty payments) during the Period rose 16% to 212,934 bbls (first half of 2010: 183,658 bbls). The country of Colombia, where the Company maintains its operations and crude oil production, has sustained an increase in overall drilling activities and hydrocarbon production which has led to competitive pressures for operators in transporting and marketing crude oil production. During the first half of 2011, the Company's net sales volumes were 182,750 bbls (first half of 2010: 163,343 bbls), and the Company held in unsold crude oil inventory approximately 41,000 net barrels as at 30 June 2011. Through the Company's marketing efforts, the Company's net crude oil inventory at 30 June 2011 was subsequently sold in the month of July 2011.

The limited available capacity of Colombia's current pipeline infrastructure has also continued to lead to rising transportation costs for trucking the majority of the Company's oil sales. Cost of sales increased 18% during the Period to \$9.7 million (first half of 2010: \$8.2 million). Despite this increase, the Company averaged a cash netback per bbl of \$61.05 for the Period (first half of 2010: \$43.18), and Gross Profit increased to \$7.4 million during the Period against \$3.1 million in the same period in the prior year.

In terms of cash position, the Company ended the Period with cash and cash equivalents of \$5.7 million. Capital expenditures for the Period were \$3.3 million primarily related to the Rio Verde workover programme highlighting the Company's emphasis on enhancing cash flow from operations, improving shareholder value and increasing production rates by developing its reserve base.

Operations

In April 2011, the Company commenced workover operations at its Tilodiran 2 and Tilodiran 3 wells located within the Rio Verde Concession Contract. The workover operations were completed in mid-May with testing and the installation of temporary facilities completed by mid-June 2011. The results of those workovers took the Company from average gross daily production of approximately 1,100 barrels of oil per day ("bopd") prior to the completion of these workovers to an average gross daily production of 2,200 bopd following the workovers and through 30 June 2011. Following the completion of testing, the Company undertook an internal review of its development programme for the Tilodiran field and determined further evaluations and studies were required. The Company presented the ANH (the National Hydrocarbons Agency in Colombia) with the conclusions of its initial internal studies in July 2011 and submitted a modified development programme to the agency requesting the suspension of the previously planned development drilling of two wells, the Tilodiran 4 and Tilodiran 5 respectively, until such time as a third party evaluation report is completed with regard to the best development programme for that field. The Company believes its internal analysis and the third party study will support the following:

- The substantial radial flow drainage areas combined in both Tilodiran 2 and Tilodiran 3 represent current Proved Developed Producing reserves in excess of the risked 3P reserves estimated for all of Tilodiran Field by the independent reserve engineers, Ralph E. Davis as of 31 December 2010.
- No additional development drilling will be required to drain any Tilodiran field reserves beyond those under production in the Tilodiran 2 and Tilodiran 3 wells.

In August 2011, the ANH formally approved the suspension of the drilling of Tilodiran 4 and Tilodiran 5 wells based on the Company completing the third party reservoir study and report and providing the results of such report to the ANH. The Company anticipates having the third party study completed within the next four to five months and presented to the ANH in the first quarter of 2012.

The positive results of increased crude oil production from the Tilodiran workover programme brought with it challenges such as the need for upgraded treatment facilities, increased water production, logistics, transportation and marketing. Along with the increased crude oil production, water handling increased substantially, primarily from the Tilodiran 2 well. The Company is currently operating with temporary facilities at its Tilodiran field pending the design and construction of permanent facilities. Permanent upgraded facilities are intended to include a water injection conversion of the Company's existing Rio Verde 2 well once the requisite environmental and other regulatory permits are obtained. Also, in August 2011, the Company elected to temporarily suspend production from the Tilodiran 2 well while the Company finalises field water disposal preparations. The oil rate from the Tilodiran 2 well was stable prior to temporary shut-in. The Company plans to recommence production from the Tilodiran 2 well immediately following the conversion and start up of water disposal operations utilising Rio Verde 2.

For the remainder of 2011, with a cash balance of approximately \$11 million as at 31 August 2011, the Company is able to focus on reducing its outstanding debt obligations and to also focus on development opportunities within its other fields, including the Bolivar and Bocachico fields in particular. The Company is currently completing the evaluation of a recompletion project at its Bolivar field with the intent of executing that project before the end of this year.

Recent events have demonstrated that volatility in the public markets may have an impact on the Company's operations, principally the recent declines in oil prices. Nonetheless, the Company believes in the strength of long-term oil prices. With a portfolio of development opportunities, a streamlined organisation and the positive financial performance experienced during the first six months of 2011, the Company is well positioned and optimistic with regard to improving its production profile throughout the remainder of this year and into the next year.



Mikel Faulkner
Chairman



Stephen Voss
Managing Director

Unaudited Financial Highlights

For the six months ended 30 June 2011

	Six months ending 30 June 2011 \$000	Six months ending 30 June 2010 \$000	Twelve months ending 31 December 2010 \$000
Revenue	\$17,096	\$11,265	\$23,763
Profit/(Loss) before taxation	2,643	(575)	(3,185)
Cash netback per bbl ¹	61.05	43.18	48.81
Expenditures on capital assets	3,331	8,712	10,816
Total current assets	20,399	11,104	15,241
Capital and reserves	84,380	80,420	79,826
Basic earnings per share	\$0.11	(\$0.04)	(\$0.06)
Diluted earnings per share	\$0.11	(\$0.04)	(\$0.06)
Weighted average ordinary shares outstanding			
Basic	35,766,774	35,439,009	35,439,009
Diluted	43,777,244	42,949,232	43,655,898

Figures in thousand except for per barrel and per share information.

Reserve Information – UK GAAP

as of 31 December 2010²

	Quantity (bbbls) thousands	Future net revenue \$000	NPV at 10% \$000
Proved	47,023	\$4,497,464	\$1,560,818
Probable	77,560	7,827,934	2,378,509
Total	124,583	\$12,325,398	\$3,939,327

- Cash netback is calculated as revenue less net operating expense and transportation costs divided by net barrels sold.
- The reserve information for Global Energy Development PLC has been certified by a third-party firm, Ralph E. Davis Associates, Inc. as at 31 December 2010.

Independent Review Report to Global Energy Development PLC

Introduction

We have been engaged by the Company to review the set of financial information in the half-yearly financial report for the six months ended 30 June 2011 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and related explanatory notes 1 to 12.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies whose securities are traded on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial information in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange for companies whose securities are traded on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial information in the half-yearly financial report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies whose securities are traded on AIM.

BDO LLP

BDO LLP

Chartered Accountants and Registered Auditors
55 Baker Street
London W1U 7EU
UK

5 September 2011

Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 June 2011

	Six Months ended 30 June 2011 \$'000 (Unaudited)	Six Months ended 30 June 2010 \$'000 (Unaudited)	Twelve Months ended 31 December 2010 \$'000 (Audited)
Revenue	17,096	11,265	23,763
Impairment of Oil & Gas assets	–	(1,204)	(1,185)
Other cost of sales including DD&A	(9,705)	(6,957)	(17,419)
Cost of sales	(9,705)	(8,161)	(18,604)
Gross profit	7,391	3,104	5,159
Other income	9	5	26
Administrative expenses	(3,629)	(2,914)	(6,558)
Profit/(loss) from operations	3,771	195	(1,373)
Finance income	10	6	28
Finance expense	(1,138)	(776)	(1,840)
Profit/(loss) before taxation	2,643	(575)	(3,185)
Tax credit/(expense)	6 1,232	(759)	1,125
Profit/(loss) from continuing operations	3,875	(1,334)	(2,060)
Total Comprehensive income/(loss) attributable to the equity holders of the parent	3,875	(1,334)	(2,060)
Earnings/(loss) Per Share			
– Basic	4 \$0.11	(\$0.04)	(\$0.06)
– Diluted	4 \$0.11	(\$0.04)	(\$0.06)

Condensed Consolidated Statement of Financial Position

As at 30 June 2011

	30 June 2011 \$'000 (Unaudited)	30 June 2010 \$'000 (Unaudited)	31 December 2010 \$'000 (Audited)
Note			
Assets			
Non-current assets			
Intangible assets	5,746	4,758	5,034
Property, plant and equipment	101,780	104,428	102,896
Total non-current assets	107,526	109,186	107,930
Current assets			
Inventories	2,964	1,948	1,550
Trade and other receivables	9,994	6,595	4,881
Term deposits	1,728	1,518	1,466
Cash and cash equivalents	5,713	1,043	7,344
Total current assets	20,399	11,104	15,241
Total assets	127,925	120,290	123,171
Liabilities			
Non-current liabilities			
Convertible loan notes	(16,577)	(16,773)	(16,967)
Deferred tax liabilities (net)	7 (5,764)	(10,834)	(8,034)
Equity tax liability	(1,267)	–	–
Long-term provisions	(3,278)	(923)	(2,982)
Long-term loans payable	8 (5,000)	–	–
Total non-current liabilities	(31,886)	(28,530)	(27,983)
Current liabilities			
Trade and other payables	(10,107)	(9,150)	(14,566)
Corporate and equity tax liability	(1,456)	(2,190)	(700)
Provision	(96)	–	(96)
Total current liabilities	(11,659)	(11,340)	(15,362)
Total liabilities	(43,545)	(39,870)	(43,345)
Net assets	84,380	80,420	79,826
Capital and reserves attributable to equity holders of the company			
Share capital	545	540	540
Share premium account	27,139	26,544	26,544
Other reserve	1,767	1,826	1,826
Capital reserve	210,844	210,844	210,844
Retained deficit	(155,915)	(159,334)	(159,928)
Total equity	84,380	80,420	79,826

The financial information on pages 6 to 15 was approved and authorised for issue by the Board of Directors on 5 September 2011 and is signed on its behalf by:



Mikel Faulkner
Chairman – 5 September 2011



Stephen Voss
Managing Director – 5 September 2011

Condensed Consolidated Cash Flow Statement

For the period ended 30 June 2011

	Six months ended 30 June 2011 \$'000 (Unaudited)	Six months ended 30 June 2010 \$'000 (Unaudited)	Twelve months ended 31 December 2010 \$'000 (Audited)
Cash flows from operating activities			
Operating profit before interest and taxation	3,771	195	(1,373)
Depreciation, depletion and amortisation	3,735	3,697	6,031
(Increase) in trade and other receivables	(3,698)	(1,790)	(26)
(Increase) in inventories	(1,414)	(801)	(402)
Increase in trade and other payables	1,828	6,866	1,670
Increase/(decrease) in long-term provisions	213	(108)	1,959
Loss on disposal of assets	–	–	692
Other non-cash items	–	(40)	(11)
Share-based payments	103	120	252
Cash generated from operations	4,538	8,139	8,792
Taxes paid	(430)	(804)	(1,766)
Net cash flows from operating activities	4,108	7,335	7,026
Investing activities			
Capital expenditure			
– Expenditure on property, plant and equipment	(2,619)	(8,508)	(10,354)
– Expenditure on intangible assets	(712)	(204)	(462)
Disposal of property, plant and equipment	–	–	687
Interest received	8	6	28
Increase in short-term investments	(262)	(113)	(61)
Net cash flows from investing activities	(3,585)	(8,819)	(10,162)
Financing activities			
Short-term loans (paid)/drawn during the period	(1,285)	–	8,768
Interest paid	(869)	(541)	(1,356)
Net cash flows from financing activities	(2,154)	(541)	7,412
(Decrease)/increase in cash and cash equivalents	(1,631)	(2,025)	4,276
Cash and cash equivalents at beginning of period	7,344	3,068	3,068
Cash and cash equivalents at end of period	5,713	1,043	7,344

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Share Capital \$'000	Share Premium \$'000	Other Reserves \$'000	Capital Reserve \$'000	Retained deficit \$'000	Total \$'000
At 1 January 2010 (Audited)	540	26,544	1,826	210,844	(158,120)	81,634
Total comprehensive loss for the period	–	–	–	–	(1,334)	(1,334)
Share-based payments	–	–	–	–	120	120
At 30 June 2010 (Unaudited)	540	26,544	1,826	210,844	(159,334)	80,420
Total comprehensive loss for the period	–	–	–	–	(726)	(726)
Share-based payments	–	–	–	–	132	132
At 31 December 2010 (Audited)	540	26,544	1,826	210,844	(159,928)	79,826
Total comprehensive income for the period	–	–	–	–	3,875	3,875
Share-based payments	–	–	–	–	103	103
Exercise of convertible notes (Note 11)	5	595	(59)	–	35	576
At 30 June 2011 (Unaudited)	545	27,139	1,767	210,844	(155,915)	84,380

Unaudited Notes Forming Part of the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2011

1. Accounting Policies

Basis of Preparation

The condensed interim financial information has been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial information for the year ended 31 December 2011.

2. Financial reporting period

The condensed interim financial information for the period 1 January 2011 to 30 June 2011 is unaudited. In the opinion of the Directors the condensed interim financial information for the period presents fairly the financial position, results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed interim financial information incorporates comparative figures for the interim period 1 January 2010 to 30 June 2010 and the audited financial year to 31 December 2010.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. The comparatives for the full year ended 31 December 2010 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

3. Revenue

Revenue is attributable to one continuing activity, which is oil production from Colombia Energy Development Co. ("CEDCo"), a wholly-owned subsidiary of the Group, located in Colombia, South America.

4. Earnings per share

Basic earnings per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding for the period.

Diluted earnings per share amounts are calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The calculation, of the dilutive potential ordinary shares related to employee and Director share option plans, includes only those options with exercise prices below the average share trading price for each period.

4. Earnings per share continued

The following reflects the profit/(loss) and share data used in the basic and diluted earnings per share calculations:

	Six months ended 30 June 2011 \$'000 (Unaudited)	Six months ended 30 June 2010 \$'000 (Unaudited)	Twelve months ended 31 December 2010 \$'000 Audited
Net profit/(loss) attributable to equity holders used in basic calculation	3,875	(1,334)	(2,060)
Add back interest and accretion charge in respect of convertible loan notes	727	722	1,457
Net profit/(loss) attributable to equity holders used in dilutive calculation	4,602	(612)	(603)
Basic weighted average number of shares	35,766,774	35,439,009	35,439,009
Dilutive potential ordinary shares			
Shares related to convertible notes	4,388,608	4,565,027	4,565,027
Employee and Director share option plans	3,621,862	2,945,196	3,651,862
Diluted weighted average number of shares	43,777,244	42,949,232	43,655,898

The calculation of the diluted EPS assumes all criteria giving rise to the dilution of the EPS are achieved and all outstanding share options are exercised.

During the period ended 30 June and 31 December 2010, the Group reported a loss. Therefore, because the effect of the potentially dilutive shares related to convertible loan notes and outstanding share options would be anti-dilutive, a separate diluted loss per share has not been reported because it is deemed to equal the basic loss per share.

5. Convertible loan notes

A balance of \$5,798,000 in 2005 convertible notes and \$11,303,000 in 2006 convertible notes remains outstanding and unless previously redeemed, converted or purchased and cancelled, the notes are repayable in full on 30 October 2012 and on 8 December 2012, respectively.

6. Tax credit/(expense)

The Global Energy Development PLC Group is subject to UK and Colombian taxation.

UK taxation

The Company does not expect to be liable for UK corporation tax in the foreseeable future because Global had trading losses brought forward of \$25.6 million as at 31 December 2010 and \$23.6 million as at 31 December 2009 and these are expected to increase in the future.

Unaudited Notes Forming Part of the Condensed Consolidated Interim Financial Statements continued

For the six months ended 30 June 2011

6. Tax credit/(expense) continued

Colombian taxation

The Group pays taxes in Colombia through the branch office of its wholly-owned subsidiary CEDCo. The Colombian corporation tax is calculated as the higher of net income tax or presumptive income tax which are determined as follows:

- Presumptive income tax. An alternative minimum tax calculated on the prior year gross equity less liabilities at a rate of 3% to determine the presumptive income. A rate of 33% is applied to the presumptive income to arrive at the tax obligation; or
- Net income tax. Calculated at a rate of 33% taking into account revenues minus costs, standard deductions and special deductions.

Currently, CEDCo pays its Income Tax based on Presumptive Income Tax.

Additionally, the Group pays an Equity Tax calculated using a taxable base of the Net Equity as at 1 January 2011 and a rate of 6%. The payment of the tax is over four years with payments made twice per year.

The major components of income tax expense for the periods ended 30 June 2011 and 2010 as disclosed in the consolidated income statement are:

Consolidated income statement

	30 June 2011 \$000	30 June 2010 \$000	31 December 2010 \$000
Current taxes:			
Current income tax charge	139	382	789
Current equity tax charge	859	400	820
Others withholdings	40	17	107
Total current taxes	1,038	799	1,716
Deferred Tax:			
Relating to origination and reversal of temporary differences	(2,270)	(40)	(2,841)
Tax credit reported in the income statement	(1,232)	759	(1,125)

7. Deferred tax liabilities (net)

The Group offsets tax assets and liabilities if, and only if, it has a legally enforceable right to offset current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to corporation taxes levied by the same tax authority. Deferred tax assets and liabilities listed are related to corporation tax levied by the Colombian tax authority with jurisdiction over CEDCo.

Temporary differences between the tax bases and net book carrying values arise in relation to the effect of inflation adjustments, the differences in exchange rate of non-monetary assets, differences between tax and accounting depreciation, the balance of presumptive income tax excesses generated and tax losses generated in 2010.

7. Deferred tax liabilities (net) continued

The amounts that are off-set in the statement of financial position are analysed below:

Deferred tax assets

	30 June 2011 \$000	30 June 2010 \$000	31 December 2010 \$000
Deferred tax assets to be recovered after more than 12 months	14,135	1,239	12,837
Deferred tax assets to be recovered within 12 months	3,778	–	3,540
Total	17,913	1,239	16,377

Deferred tax liabilities

	30 June 2011 \$000	30 June 2010 \$000	31 December 2010 \$000
Deferred tax liability to be recovered after more than 12 months	(23,649)	(12,073)	(24,244)
Deferred tax liability to be recovered within 12 months	(28)	–	(167)
Total	(23,677)	(12,073)	(24,411)
Deferred tax liabilities (net)	(5,764)	(10,834)	(8,034)

The effect of this net deferred income tax (“DIT”) movement on the condensed consolidated statement of comprehensive income is a benefit of \$2.3 million resulting from a higher DIT asset of \$1.5 million and lower DIT liability of \$0.8 million.

- DIT asset increased because of higher fiscal losses recognition by \$5 million after final 2010 income tax filing.
- DIT liability decreased \$0.5 million due to the peso-dollar exchange rate effect and \$0.3 million due to provisions movement.

8. Long-term loans payable

On 3 February 2011, the Company, as borrower, signed an amendment (The “Loan Amendment”) to the loan agreement entered into with HKN Inc., as lender, on 14 September 2010. The Loan Amendment extended the maturity date of the underlying repayment obligation for one year to September 2012. In exchange for this extension, the Company agreed to increase the interest rate from 10% per annum to 10.5% per annum.

9. Interim dividend

No interim dividend has been declared.

10. Cash generating units

Cash Generating Units (“CGU”) are defined as the assets representing the smallest identifiable segments generating cash flows that are largely independent of cash flows from other assets or groups of assets. CGUs are identified in accordance with IAS 36 “Impairment of Assets”, significant asset groups are normally but not always, single development or production areas.

Pipeline capacity issues in Colombia experienced in 2010 and continuing in 2011 have required the Group to review the way in which its crude is sold to third parties. All strategies adopted to commercialise the Company’s crude, reinforce the Group’s recognition of a single CGU for the Group at a country level. Those strategies require that the Company retain flexibility to sell its production in various combinations to various clients depending on the respective client’s shipping and marketing capacities.

Unaudited Notes Forming Part of the Condensed Consolidated Interim Financial Statements continued

For the six months ended 30 June 2011

11. Share capital

	Six months ended 30 June 2011 (Unaudited)		Six months ended 30 June 2010 (Unaudited)		Twelve months ended 31 December 2010 Audited	
	Number of shares	\$'000	Number of shares	\$'000	Number of shares	\$'000
Allotted, called up and fully paid						
Ordinary shares of 1p each	35,766,774	545	35,439,009	540	35,439,009	540

The concept of authorised capital was removed by the Companies Act 2006 and the new Articles of Association adopted by the Company at the 2010 Annual General Meeting do not contain any references to authorised share capital and unissued shares.

The ordinary shares confer the right to vote at general meetings of the Company, to a repayment of capital in the event of liquidation or winding up and certain other rights as set out in the Company's articles of association.

The ordinary shares also confer the right to receive dividends if declared by the Directors and approved by the Company.

On 14 January 2011, the Company issued 317,000 ordinary shares of 1p each in consideration for the purchase and cancellation of \$600,000 variable coupon convertible notes due 2012 (the "Notes") plus all accrued interest due under the Notes.

Also, on 12 April 2011, following a notice of exercise of options in respect of 10,765 ordinary shares of 1p each in the Company, the Company issued to Alan Henderson, a director of the Company, 10,765 ordinary shares.

12. Subsequent events

On 16 June 2011, HKN announced the terms of a mandatory cash offer to be made by HKN for all the issued and to be issued ordinary shares in Global ("Global Shares") not already held by HKN and persons deemed to be acting in concert with it. As stated in the announcement on 16 June 2011, the obligation to make the mandatory offer arose as a result of Lyford, a concert party of HKN, entering into a conditional agreement to acquire 3,565,936 Global Shares, representing an interest of approximately 9.97% in Global, from the United States Marshals Service ("Acquisition").

On 15 July 2011, the Directors of HKN and the Independent Directors of Global announced that they had agreed, with the consent of the Takeover Panel, to postpone the posting of the Offer Document until the conditions to the Acquisition are satisfied and Lyford has completed the Acquisition. It was further announced that completion of the Acquisition was subject to the satisfaction of a number of conditions and was anticipated to take place on or before 13 September 2011, subject to agreement between the parties.

On 30 August 2011, Global was notified by Lyford that certain of the conditions to the agreement in relation to the Acquisition had been satisfied and 3,565,936 Global Shares, representing 9.97% of the issued share capital of Global had been transferred to Lyford on 29 August 2011 at a price of approximately 96 cents per Global Share (equivalent to approximately 59p per Global Share based on a closing mid exchange rate of \$1.64:£1 on 29 August 2011). In addition, the United States Marshals Service wished to sell and Lyford purchased a further 223,000 Global Shares at a price of 96 cents per Global Share (equivalent to approximately 59p per Global Share based on a closing mid exchange rate of \$1.64:£1 on 29 August 2011). Accordingly, HKN and its concert parties now own or control shares representing 21,425,560 Global Shares, equivalent to 59.90% of the issued share capital of Global and Lyford now holds 9,120,236 Global Shares, equivalent to 25.50% of the issued share capital of Global. Lyford has also conditionally agreed to acquire a further 55,400 Global Shares from the United States Marshals Service at a price of \$1.05 per Global Share (equivalent to approximately 64p per Global Share based on a closing mid exchange rate of \$1.64:£1 on 29 August 2011).

As the Concert Party now holds in excess of 50% of the voting rights exercisable at a general meeting of Global, the Offer, when made, will be unconditional in all respects. The Offer Document will be posted to Global Shareholders as soon as practicable and in any event by no later than 9 September 2011.

There were no other material subsequent events between 30 June 2011 and the date of this document.

Corporate Directory

Directors

Mikel Faulkner (Chairman)
Stephen Voss (Managing Director)
Alan Henderson (Non-executive Director)
David Quint (Non-executive Director)

Executive Management

Elmer Johnston (Operation Director)
Rocio Calderon (Finance Director)
Anna Williams (Director of Business Development)

Secretary

Ana Maria Revollo

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