

2 June 2010

Mr Ian Craig
Companies Manager
National Stock Exchange of Australia
Level 3
45 Exhibition Street
MELBOURNE VIC 3000

Dear Mr Craig

LETTER OF APPLICATION

1. GENERAL

(a) Name of Applicant:

Global Iron Limited (ABN 87 125 419 730) (Company)

(b) Date and place of incorporation:

16 May 2007, Western Australia

(c) Principal registered office:

18 Oxford Close
LEEDERVILLE WA 6007

(d) Share Registry:

Computershare Investor Services Pty Ltd
Level 2
45 St Georges Terrace
PERTH WA 6000

(e) Request for Application:

The Company hereby applies for the listing of 1,342,556,870 fully paid ordinary shares in the capital of the Company (**Shares**). The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

(f) The proposed method by which the securities are to be brought to listing and details of any proposed distribution of the securities:

It is proposed that 418,181,818 Shares will be issued at a price of 55 cents per Share to raise up to \$230,000,000 (before costs of the offer) pursuant to a prospectus lodged with the Australian Securities & Investments Commission on 27 May 2010 (**Prospectus**).



It is also proposed that 906,250,050 Shares will be issued to the shareholders of African Petroleum Corporation Limited (**African Petroleum**) pursuant to the Share Sale Agreement between the Company, African Petroleum and the shareholders of African Petroleum (**Share Sale Agreement**).

The Company also applies for quotation of the Company's existing 18,125,002 Shares currently on issue.

- (g) The estimated market capitalisation of the securities for which a listing is sought:

\$738,406,278 (1,342,556,870 Shares at a deemed issue price of \$0.55 per Share).

- (h) An estimate of the net proceeds of any proposed issue and the intended use of the proceeds:

The Company intends to apply the funds raised from the offer pursuant to the Prospectus as follows:

Funds raised:	Minimum Subscription (\$)	Maximum Subscription (\$)
Proceeds from the Offer	150,000,000	230,000,000
Total funds available	150,000,000	230,000,000
	Funds Applied (\$)	
Use of funds:	Minimum Subscription	Maximum Subscription
3D Seismic on Blocks 8 & 9	29,000,000	29,000,000
Drilling Exploratory Wells	140,000,000	140,000,000
Annual License Fees – Blocks 8 & 9 for two years	5,000,000	5,000,000
Additional Licenses in the Sierra Leone-Liberian Basin	30,000,000	10,000,000
Expenses of the offer pursuant to the Prospectus	11,800,010	11,800,010
Working Capital, administration expenses and expenses of the Acquisition	5,214,990	14,199,990
Total	150,000,000	230,000,000

Please refer to Section 3.5 of the Prospectus for further details.

- (i) The name of any other stock exchange on which any securities of the issuer are already listed and/or traded:

The Company was admitted to the official list of ASX on 16 October 2007 with official quotation of its Shares commencing on 18 October 2007.

On 9 February 2010 the Company announced that it had entered into a share sale agreement for the acquisition of African Petroleum Corporation Limited (**African Petroleum**) (**Share Sale Agreement**). Following that announcement, ASX advised the Company that it would not be reinstated to quotation on ASX until the Company announced to ASX that it will not be proceeding with the share sale under the Share Sale Agreement (**ASX Decision**). The basis for the ASX Decision, as advised to the Company, stems from its concerns over the influence that Mr Frank Timis, as a substantial shareholder (refer to Section 13.4 of the Prospectus for details of his shareholding post completion of the Share Sale Agreement) and non executive Director (refer to Section 8.2 of the Prospectus for a summary of Mr Timis), will have on the Company's ability to comply with its continuous disclosure obligations post the share sale transaction pursuant to the Share Sale Agreement.

The Company appealed the ASX Decision, which was heard on 30 April 2010. The ASX Appeal Tribunal upheld the ASX Decision but directed that the ASX had erred in failing to take into account additional submissions made by the Company after the ASX Decision to address ASX's concerns in respect of readmitting the Company to quotation post completion of the Acquisition (**Appeal Decision**). As a result of the Appeal Decision, the Company made a further submission to ASX, which included restrictions on the voting rights of the Shares held by Mr Timis and his associates. On 19 May 2010, ASX advised the Company that it had considered the additional submissions but affirmed the earlier ASX Decision (**19 May Decision**). The Company is appealing the 19 May Decision which will be held on 8 June 2010.

If the Company is not successful in its appeal of the 19 May Decision, the Company's shareholders pass the necessary resolutions at the upcoming General Meeting and NSX conditionally approves admission of the Company's shares to NSX, the Company's board of directors may seek to delist the Company from ASX.

2. SHARE CAPITAL AND OWNERSHIP

- (a) The Company's capital structure is set out below.¹ The table assumes that the full subscription is raised pursuant to the offer under the Prospectus and the Share Sale under the Share Sale Agreement proceeds to completion:

Shares ²	Number
Shares on issue as at the date of the Prospectus	18,125,002
Shares to be issued to APCL Shareholders under the Share Sale Agreement ³	906,250,050
Shares offered pursuant to the Prospectus ⁴	418,181,818
Total Shares	1,342,556,870
Options	
Options on issue ⁵	12,500,000
Placement Options ⁶	12,545,455

Total Options	25,045,455
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Notes:

- ¹ Please refer to the Investigating Accountant's Report in Section 9 of the Prospectus for further details of the effect of the offer pursuant to the Prospectus.
- ² The rights attaching to the Shares are summarised in Section 13.1 of the Prospectus.
- ³ Please refer to Section 7.1 of the Prospectus for a summary of the terms and conditions of the Share Sale Agreement including the breakdown of the recipients of the Consideration Shares to be issued to the African Petroleum Shareholders. The issue of these Shares is subject to Shareholder Approval at the General Meeting. Refer to Section 13.4 of the Prospectus for further details of a controller's interests in the Company.
- ⁴ This assumes that the Offer is fully subscribed.
- ⁵ The terms and conditions of the Options are set out in Section 13.2 of the Prospectus.
- ⁶ The terms and conditions of the Converting Performance Shares are set out in Section 13.3 of the Prospectus.

(b) As at the date of the Prospectus, the directors and proposed directors of the Company have relevant interests in Shares as set out in the table below:

Director	Shares	Options
Tony Sage ¹	1,998,383	Nil
Mark Gwynne ²	20,530	Nil
Tim Turner ³	11,993	Nil
Frank Timis	Nil	Nil
Mark Ashurst	Nil	Nil
Karl Thompson	Nil	Nil
Gibril Bangura	Nil	Nil
Alan Watling	Nil	Nil
Anthony Wilson	Nil	Nil

Notes:

- ¹ 1,880,825 Shares are held by Mr Sage as trustee for the Egas Superannuation Fund in his own right; 107,558 Shares are held by Okewood Pty Ltd, a company controlled by Mr Sage; and 10,000 are held by Anthony Paul William Sage ATF the Sage Family Trust, a company in which Mr Sage has a relevant interest.

- ² These Shares are held by Mrs Cheryl Gwynne, the wife of Mr Gwynne.
- ³ 10,682 Shares are held by Shepperton Holdings Pty Ltd as trustee for the Shepperton Unit Fund, a company in which Mr Turner has a relevant interest. 1,311 Shares are held by Timothy Turner and Marianne Turner as ATF the Woody Superannuation Fund.

Following completion of the acquisition of African Petroleum Corporation Limited, the directors and proposed directors will have a relevant interest in the following Shares and Options:

Director	Shares	Options
Tony Sage	4,216,883	-
Timothy Turner	11,993	-
Frank Timis ¹	630,816,987	-
Mark Ashurst	Nil	-
Karl Thompson	Nil	-
Gibril Bangura	Nil	-
Alan Watling	Nil	-
Anthony Wilson	Nil	-

Notes:

1. These shares will be held by Sarella Investments Limited, an entity controlled by Frank Timis.
- (c) So far as is known, or can be ascertained after reasonable enquiry, the names of all shareholders of the issuer who own five percent (5%) or more of the shares of the issuer and their respective shareholdings:

Such details are to be provided to NSX upon close of the offer pursuant to the Prospectus and completion of the Share Sale Agreement. However, based on a minimum capital raising of \$130,000,000, Caldwell Management AG would hold 5.71% and Sarella Investments Limited would hold 52.70%.

- (d) A list in tabular form of the names of all shareholders of the issuer including the dates that the shares were allotted to them, the consideration that they provided and the number of shares that are held:

Such details are to be provided to NSX upon close of the offer pursuant to the Prospectus and completion of the Share Sale Agreement.

3. SECURITIES

The Shares to be issued pursuant to the Prospectus and the Share Sale Agreement will be fully paid ordinary Shares in the capital of the Company. The rights attaching to the Shares are summarised in Section 13.1 of the Prospectus.

4. HISTORY AND NATURE OF BUSINESS

The Company was incorporated on 16 May 2007 as a wholly owned subsidiary of Cape Lambert Resources Limited (**Cape Lambert**). On 16 October 2007 Global Iron was admitted to the official list of ASX, with its official quotation commencing on 18 October 2007.

On 14 March 2006 Cape Lambert sold 158 tenements (**Tenements**) in the Yilgarn region of Western Australia to International Goldfields Limited (**International Goldfields**) whilst retaining all rights to and in respect of iron ore on the Tenements (**Iron Ore Rights**). The Iron Ore Rights comprise rights to explore for and mine iron ore on the Tenements, however there are no statutory reporting or expenditure obligations under the Iron Ore Rights.

On 1 July 2007 the Company entered into an agreement with Cape Lambert to purchase the Iron Ore Rights. Consideration for the purchase was the issuing of 3,125,000 shares by the Company to Cape Lambert. The Company intended to conduct exploration for iron ore on the more prospective tenements to identify priority targets for further evaluation.

Refer to Section 5.1 of the Prospectus for the status of these rights. The Company does not conduct any exploration on any tenements and if the acquisition of African Petroleum completes, the Company proposes to continue to package up iron ore rights and farm them out or sell them in exchange for a royalty.

The Company does not have any material interest in any other asset or agreement other than as noted above.

On or about 8 February 2010, the Company entered into a Share Sale Agreement to acquire all of the fully paid ordinary shares in the capital of African Petroleum. African Petroleum's wholly owned subsidiaries, European Hydrocarbons Limited (**EHL**) and Regal Liberia Limited (**Regal Liberia**) own 100% of Blocks 8 and 9 offshore Liberia (**Blocks 8 and 9 or Liberian Project**).

Following completion of the Acquisition, the Company's focus will be on exploring Blocks 8 and 9. Specifically, the Company will undertake a 5000km 3D seismic program on Blocks 8 and 9 off the coast of Liberia and will pursue the acquisition of additional offshore licence blocks in West Africa.

Further details of the Iron Ore Rights are contained in Section 5.1 of the Prospectus. An overview of the Acquisition, African Petroleum and the Liberian Project are contained in Section 5.2 of the Prospectus. A summary of the Share Sale Agreement is contained in Section 7.1 of the Prospectus.

5. SUMMARY OF EARNINGS

For a summary of the Company's earnings on a consolidated basis, please refer to the Company's annual reports since incorporation (attached). Please also refer to Section 9 of the Prospectus.

6. TABULATION OF BALANCE SHEET

For a copy of the Company's balance sheet prepared on a consolidated basis, please refer to the Company's annual reports since incorporation (attached). Please also refer to Section 9 of the Prospectus.

7. EMPLOYEES

The Company does not have any employees.

The Company has entered into a consultancy agreement with Okewood Pty Ltd (**Okewood**) and Antony Sage pursuant to which the Company agreed to engage Okewood to provide the services of Mr Sage as an Executive Chairman. Please refer to Section 7.3 of the Prospectus for a summary of the Consultancy Agreement between the Company, Okewood and Mr Sage.

8. CHILD ENTITIES

The Company does not currently have any subsidiaries.

Upon completion of the Share Sale Agreement, the Company will hold all of the issued capital in African Petroleum. Details of African Petroleum and its subsidiaries are set out below:

African Petroleum Corporation Limited	
Nature of the Business	Share Capital
African Petroleum is a privately owned company incorporated in the Cayman Islands. The group structure of African Petroleum is set out in Section 5.2 of the Prospectus.	At completion, African Petroleum will have 408,496,812 fully paid ordinary shares on issue.
African Petroleum's only operating subsidiary at completion, EHL (together with EHL's wholly owned subsidiary Regal Liberia) has a 100% interest in Blocks 8 and 9, which are two prospective oil and gas exploration blocks covering an area of approximately 7,200 square kilometres on the coast of Liberia in West Africa. Blocks 8 and 9 were awarded from the NOCAL in 2004 as part of an international bidding round. EHL has exclusive exploration authorisation over Blocks 8 and 9 until 2016.	It is a condition precedent to the Share Sale Agreement that all African Petroleum shares will be free from encumbrances on settlement.

Attached is a flow chart showing the subsidiaries for African Petroleum.

9. DIVIDEND RECORD

No dividends have as yet been paid by the Company.

10. PROPERTIES

As set out in paragraph 4 of this letter above, on 1 July 2010 the Company entered into an agreement with Cape Lambert to purchase Iron Ore Rights.

Consideration for the purchase was the issuing of 3,125,000 Shares by the Company to Cape Lambert. The Company does not conduct any exploration on any tenements and if the acquisition of African Petroleum completes, the Company proposes to continue to package up iron ore rights and farm them out or sell them in exchange for a royalty. Refer to Section 5.1 of the Prospectus for the status of these rights.

On or about 8 February 2010, the Company entered into a Share Sale Agreement to acquire all of the fully paid ordinary shares in the capital of African Petroleum. African Petroleum's wholly owned subsidiaries, EHL and Regal Liberia own 100% of Blocks 8 and 9.

Following completion of the Acquisition, the Company's focus will be on exploring Blocks 8 and 9. Specifically, the Company will undertake a 5000km 3D seismic program on Blocks 8 and 9 off the coast of Liberia and will pursue the acquisition of additional offshore licence blocks in West Africa. A summary of the Liberian Project is set out in Section 5.2 of the Prospectus.

EHL and Regal Liberia have two production sharing contracts (**PSCs**) with the Government of Liberia represented by the National Oil Company of Liberia (**NOCAL**) for the exploration and development of all crude oil and natural gas (**Petroleum**) from each of Blocks 8 and 9. A summary of the PSCs is set out in Section 7.2 of the Prospectus.

The minimum work program under the PSCs requires monetary expenditure and fulfilment of certain work programs.

Please refer to Section 7.2 of the Prospectus for details of the PSCs and minimum expenditure and work and the use of funds (Section 3.5) and the Independent Expert's Report on Cost Estimates (Section 12) commenting on the proposed expenditure and compliance with the minimum work programs in the PSCs.

11. LITIGATION

As at the date of this letter, neither the Company nor any member of the Company's group is involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company or any member of the Company's group.

As outlined above, the Company has lodged an appeal against the 19 May Decision. If the Company is not successful in its appeal, and the Shareholders elects to complete the Share Sale pursuant to the Share Sale Agreement and all approvals are passed at the General Meeting, the Company may delist from ASX.

The Company has also reserved its rights in respect of any action it may have against ASX as a result of the ASX Decision. However, as at the date of this letter, no litigation has commenced.

12. MANAGEMENT

- (a) The full name, residential address and description (being his or her qualifications or area of expertise or responsibility) of every director or proposed director and any person who performs an important

administrative, management or supervisory function and particulars of the principal functions performed by each of them within the group if significant to the group;

Upon the completion of the Acquisition, the Company's board will change to introduce a highly experienced executive team from African Petroleum that will oversee the exploration and development activities of Blocks 8 and 9.

Name of Current Director	Residential Address	Description
Antony William Paul Sage	2 Penryn Avenue CITY BEACH WA 6015	Refer to Section 8.1 of the Prospectus.
Timothy Paul Turner	14 High Street SOUTH PERTH WA 6151	Refer to Section 8.1 of the Prospectus.
Mark Gwynne	10 Jameson Street MOSMAN PARK WA 6012	Refer to Section 8.1 of the Prospectus.
Name of Proposed Director	Residential Address	Description
Frank Timis	Refer to Director's Declaration and Undertaking to be provided	Refer to Section 8.2 of the Prospectus.
Mark Ashurst	Refer to Director's Declaration and Undertaking to be provided	Refer to Section 8.2 of the Prospectus.
Karl Thompson	Refer to Director's Declaration and Undertaking to be provided	Refer to Section 8.2 of the Prospectus.
Gibril Bangura	Refer to Director's Declaration and Undertaking to be provided	Refer to Section 8.2 of the Prospectus.
Alan Watling	Refer to Director's Declaration and Undertaking to be provided	Refer to Section 8.2 of the Prospectus.
Anthony Wilson	Refer to Director's Declaration and	Refer to Section 8.2 of the

	Undertaking to be provided	Prospectus.
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- (b) The nature of any family relationship between the persons mentioned in (a):

Not Applicable

- (c) A brief account of the business experience of each of these persons during the last five (5) years:

Please refer to Sections 8.1 and 8.2 of the Prospectus.

- (d) Indicate any other directorships held by each director or proposed director in any publicly listed or traded companies:

Please refer to Sections 8.1 and 8.2 of the Prospectus.

- (e) State if any director or proposed director has, in any jurisdiction, been convicted in any criminal proceeding or has had a bankruptcy petition filed against him or her or any partnership in which he was a partner or any body corporate of which he was a director or has been sanctioned or otherwise disciplined by any self regulatory securities association of which he or she is or has been a member or any securities supervisory or regulatory body or any such event is pending:

Please refer to the Director's Declaration and Undertaking to be provided in respect of each director and proposed director of the Company.

In respect of Mr Frank Timis, Mr Timis was Executive Chairman and a director of Regal Petroleum plc (Regal) from 29 July 2002 until his resignation on 7 June 2005. On 17 November 2009, the London Stock Exchange (the Exchange) issued a public censure and fine of £600,000 against Regal for breaches of AIM Rules (Regal Decision) relating to Regal's notifications (the Notifications) and delays in notifying the market of material developments (together the Notifications and delay being referred to as the Public Censure Matters) during the period 27 June 2003 to 19 May 2005 (the Relevant Period).

There were a number of other directors of Regal during the Relevant Period and the Regal Decision did not specifically criticise the actions of Mr Timis or of any other individual director during the Relevant Period, nor did the resulting sanctions apply to the directors individually. Neither Mr Timis nor any other director was sanctioned or prosecuted as a result of his actions as a director of Regal during the Relevant Period.

Further, Mr Timis received a number of penalties and sanctions in Australia relating to various minor and largely driving related offences and two (2) narcotic related offences and a charge for failing to store explosives correctly. In the first narcotics offence, Timis was convicted in 1990 for heroin sell or supply and fined \$10,000. In the second narcotics

offence, Mr Timis was charged in 1991 with possession of approximately 17 grams of heroin with intent to sell or supply it to another and fined \$17,000. Under Australian Law, possession in the amount stated carries a prescription of intent.

In May 2002 and November 2007 the Toronto Stock Exchange (TSX) advised Mr Timis that TSX had determined that he was unsuitable to act as a director, officer or major or controlling shareholder of a TSX listed issuer due to Mr Timis' failure to disclose his previous heroin convictions on a personal information statement provided to TSX. This determination does not constitute a ban on Mr Timis being a director of an unlisted company in this jurisdiction. Further, Mr Timis is continuing to provide information requested by TSX in respect of Mr Timis' request for TSX to reconsider the unsuitability of Timis as a director of a TSX listed entity.

In particular, please refer to Frank Timis' Director's Declaration and Undertaking (to be provided) for further information and details of any bankruptcy proceedings in which he was involved.

13. SPONSORS, BANKERS, ETC

- (a) The names and addresses of the issuer's sponsor, financial advisers, principal bankers, nominated adviser, share registrar/transfer agent and solicitors;

Nominated Adviser and Solicitors to the Company

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Sponsoring Broker

Centre Capital
PO Box 564
BELMONT NSW 2280

Investigating Accountant

Stantons International Securities
1st Floor
1 Havelock Street
WEST PERTH WA 6005

Competent Person

IHS Global Ltd
133 Houndsditch
LONDON EC6A 7BX

Liberian Solicitors

The International Group of Legal
Advocates & Consultants
Mary J Brisbane Corporate
Building
3rd Floor, 4 Clay Street
MUNROVIA, LIBERIA

Independent Expert on Cost Estimates

RISC Pty Ltd
Resource Investment Strategy
Consultants
Level 3
1138 Hay Street
WEST PERTH WA 6005

Share Registry

Computershare Investor Services
Pty Ltd
Level 2
45 St Georges Terrace
PERTH WA 6000

- (b) The name, address and professional qualifications of the issuer's auditors:

Grant Thornton (WA) Partnership
Level 1, 10 Kings Park Road
WEST PERTH WA 6005

Further details relating to Grant Thornton and its expertise/qualifications can be found on its website at www.grantthornton.com.au.

14. STATEMENT OF NON-COMPLIANCE

Nil.

15. DECLARATION

The Company hereby declares, to the best of its knowledge, information and belief that:

- (a) save as specified in the application letter, all the qualifications for listing set out in Chapter 3 of Section IIA of the Listing Rules have, in so far as applicable and required to be met and fulfilled prior to application, been met or fulfilled in relation to the Company and the securities of the issuer the subject of the application;
- (b) all information required to be included in the disclosure document pursuant to Rule 4.8 and the Corporations Act will be included; and
- (c) there are no other facts bearing on the Company's application for listing which, in the Company's opinion, should be disclosed to the Exchange.

Signed: _____
Antony Sage

Date: 2 June 2010

Yours faithfully

Mr Antony Sage
Executive Chairman
For and on behalf of
GLOBAL IRON LIMITED