

AFRICAN PETROLEUM CORPORATION LIMITED - MARKET UPDATE**Key points:**

- Having successfully completed the acquisition of Cayman Island incorporated African Petroleum Corporation Limited, Global Iron Limited has been renamed African Petroleum Corporation Limited (ASX: AFQ) (NSX: AOQ),
- Placement of 403,627,545 new ordinary shares at \$0.55 per share completed, raising \$221,995,150,
- Funds raised will be applied towards evaluating the Liberian Project, including interpretation of 3D seismic data to enable drill targeting, the drilling of up to three exploratory wells and to provide working capital to secure additional blocks within the Sierra Leone-Liberian basin,
- Admission to Official Quotation on the National Stock Exchange of Australia ("NSX") took place on 30 June 2010,
- The Company continues discussions with ASX following the Appeal Tribunal decision announced on 18 June 2010.

African Petroleum Corporation Limited (formerly Global Iron Limited) (ASX: AFQ) (NSX: AOQ) (the "Company" or "African Petroleum"), an oil and gas exploration company, which recently acquired a 100% interest in two blocks located offshore of Liberia, West Africa, confirms that it received proceeds of \$222 million (approximately US\$ 187 million) pursuant to the placement undertaken by way of a prospectus dated 27 May 2010 ("Prospectus"). The Company issued 403,627,545 ordinary shares under the Prospectus at \$0.55 each (the "Placement Price"). Based on the Placement Price, the market capitalisation of African Petroleum immediately on admission to Official Quotation on NSX was approximately \$730m (equivalent to approximately US\$617m).

Mirabaud Securities LLP, Dundee Securities Corporation and Renaissance Securities (Cyprus) Limited, acted as Joint Placement Agents for African Petroleum's placement.

The Company intends to utilise the proceeds of the placement to evaluate the Liberian Project, including interpretation of 3D seismic data to enable drill targeting, the drilling of up to three exploratory wells and to provide working capital to secure additional blocks within the Sierra Leone-Liberian basin.

The Company continues to liaise with ASX following the Appeal Tribunal decision announced on 18 June 2010.

Commenting on the transaction, Tony Sage, Non-Executive Chairman of African Petroleum, said:

"The asset portfolio of African Petroleum presents an exciting opportunity to discover a significant oil and gas operation in one of the world's major new oil provinces. We see the potential for significant field

discoveries in the West African Sierra Leone-Liberian region, as evidenced by recent oil discoveries at Jubilee (offshore Ghana) and Venus (offshore Sierra Leone).

The placing has been very well received by high quality institutional investors in the United Kingdom, Canada and Europe. We would like to welcome our new shareholders to the Company and thank them for their support.

The proceeds will allow us to expedite the evaluation of the Liberia Project and to aggressively pursue a number of blocks in the Cretaceous fairway in West Africa. “

Yours faithfully
African Petroleum Corporation Limited

Tony Sage
Non-Executive Chairman

For further information, please contact:

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Additional information:

NSX symbol:	AOQ
ISIN:	AU000000AOQ0
Last traded (NSX – 2 July 2010)	\$0.70 (market capitalisation approximately \$929m)
ASX symbol:	AFQ

The capital structure of African Petroleum is set out below:

Ordinary fully paid shares:

	Quoted on NSX (AOQ)	Quoted on ASX (AFQ)	Total shares on issue
Ordinary fully paid shares on issue not subject to escrow restrictions	421,752,547	18,125,002	421,752,547
Ordinary fully paid shares on issue subject to 12 month escrow restrictions	273,214,564	-	273,214,564
Ordinary fully paid shares on issue subject to 24 month escrow restrictions	633,035,487	-	633,035,487
Total fully paid ordinary shares on issue	1,328,002,598	18,125,002	1,328,002,598

Unlisted options:

	Not Quoted
Unlisted options exercisable at \$0.20 per option on or before 31 July 2010	12,500,000
Unlisted options exercisable at \$0.55 per option on or before 30 June 2013	12,108,826
Total unlisted options on issue	24,608,826