

29 July 2010

QUARTERLY ACTIVITIES REPORT – JUNE 2010

COMPANY HIGHLIGHTS

CORPORATE

- The transformation of Global Iron Limited into an international oil and gas company was finalised during the quarter on completion of the acquisition of Cayman Island registered African Petroleum Corporation Limited;
- Placement of 403,627,545 new ordinary shares at \$0.55 per share was successfully completed, raising A\$221,995,150 prior to capital raising costs ("Placement");
- Admission of the Company to Official Quotation on the National Stock Exchange of Australia ("NSX") took place on 30 June 2010 (NSX: AOQ);
- Global Iron Limited was renamed African Petroleum Corporation Limited on 1 July 2010;
- The Company's ASX code changed from GFE to AFQ during the quarter; and
- The Company is responding to requests for additional information from the ASX to enable it to relist, following the outcome of the second ASX Tribunal hearing where the Tribunal determined that "the decisions by ASX were infected by error and must be set aside".

EXPLORATION

- On completion of the acquisition of Cayman Island registered African Petroleum Corporation Limited, the Company acquired a 100% interest in two oil and gas exploration blocks covering an area of approximately 7,200 square kilometres offshore Liberia, West Africa ("Liberian Project"); and
- Funds raised from the Placement 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.

Corporate

On 27 May 2010, the Company lodged a prospectus with the Australian Securities and Investments Commission to raise up to A\$230 million through the issue of up to 418 million shares at A\$0.55 each and to seek a listing on NSX ("Prospectus").

At a general meeting of Shareholders held on 9 June 2010, Shareholders overwhelmingly approved (amongst other resolutions):

- the Company's acquisition of Cayman Island registered African Petroleum Corporation Limited;
- the issue of up to 418 million new shares to raise up to A\$230 million; and
- the change of the Company's name from Global Iron Limited to African Petroleum Corporation Limited.

On 23 June 2010, the Company closed the offer under the Prospectus having received firm commitments totaling A\$221,995,150 from prominent international funds and institutions.

On 30 June 2010, the Company was admitted to Official Quotation on NSX under the code AOQ and the following director appointments were effected:

Karl Thompson – Executive Director (Chief Operating Officer)

Mark Ashurst – Executive Director (Chief Financial Officer)

Frank Timis – Non Executive Director

Gibril Bangura – Non Executive Director

Alan Watling – Non Executive Director

Anthony Wilson – Non Executive Director

In addition to the above, Antony Sage became Non Executive Chairman, Timothy Turner was retained as a Non Executive Director and Mark Gwynne resigned as Non Executive Director on 30 June 2010.

On 1 July 2010, the Company changed its name to African Petroleum Corporation Limited and subsequently changed its ASX code from GFE to AFQ.

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

Exploration

On completion of the acquisition of Cayman Island registered African Petroleum Corporation Limited, the Company acquired a 100% interest in Blocks 8 and 9 located offshore Liberia in West Africa ("Liberian Project"). The two oil and gas exploration blocks cover an area of approximately 7,200 square kilometers.

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's transformation during the June 2010 quarter into an international oil and gas exploration company has resulted in the Company seeking to divest of its iron ore rights.

Yours faithfully

African Petroleum Corporation Limited

Tony Sage
Non Executive Chairman

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

AFRICAN PETROLEUM CORPORATION LIMITED (formerly Global Iron Limited)

ABN

87 125 419 730

Quarter ended ("current quarter")

30 JUNE 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(351)	(810)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	16
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(347)	(794)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other: cash acquired through a business combination	131	131
Net investing cash flows		131	131
1.13	Total operating and investing cash flows (carried forward)	(216)	(663)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(216)	(663)
	Cash flows related to financing activities		
1.14	Proceeds from issue of shares	221,995	221,995
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other: capital raising costs	(11,549)	(11,549)
	Net financing cash flows	210,446	210,446
	Net increase (decrease) in cash held	210,230	209,783
1.20	Cash at beginning of quarter/year to date	942	1,389
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	211,172	211,172

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	\$72
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

\$64,625 payment for executive and non-executive directors fees;
\$6,955 payment for services provided by a firm of which a non-executive director of the Company is a partner.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

906,250,051 ordinary shares issued as consideration for the purchase of 100% of the share capital of Cayman Island incorporated African Petroleum Corporation Limited.

12,108,826 unlisted options issued to brokers as consideration for their services in connection with the Company's capital raising. The options have an exercise price of \$0.55 and expire on 30 June 2013.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	58,534
4.2 Development	-
4.3 Production	-
4.4 Administration	4,244
Total	62,778

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	211,172	942
5.2 Deposits at call		-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	211,172	942

+ See chapter 19 for defined terms.

Changes in interests in mining tenements / exploration assets

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements / exploration assets relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements / exploration assets acquired or increased	Blocks 8 & 9 offshore Liberia, West Africa	100% interest acquired through the acquisition of 100% of the share capital of Cayman Island registered African Petroleum Corporation Limited	-
				100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

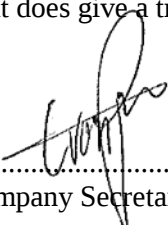
* Includes 273,214,564 ordinary shares subject to a 12 month escrow period and 633,035,487 shares subject to a 24 month escrow period.

		Total number on issue	Number quoted on ASX	Number quoted on NSX	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference ⁺securities (description)					
7.2	Changes during quarter					
	(a) Increases through issues					
	(b) Decreases through returns of capital, buy-backs, redemptions					
7.3	⁺Ordinary securities	1,328,002,598*	18,125,002	421,752,547		
7.4	Changes during quarter					
	(a) Increases through issues					
	Capital raising	403,627,545	-	403,627,545	55 cents	Nil
	Business combination	906,250,051*	-	-	N/A	N/A
	(b) Decreases through returns of capital, buy-backs	-	-			
7.5	⁺Convertible debt securities (description)	-	-			
7.6	Changes during quarter					
	(a) Increases through issues					
	(b) Decreases through securities matured, converted	-	-			
		-	-			
7.7	Options (description and conversion factor)				<i>Exercise price</i>	<i>Expiry date</i>
		12,500,000	-	-	20 cents	31 July 2010
		12,108,826	-	-	55 cents	30 June 2013
7.8	Issued during quarter	12,108,826	-	-	55 cents	30 June 2013
7.9	Exercised during quarter	-	-			
7.10	Expired during quarter	-	-			
7.11	Debentures (totals only)	-	-			
7.12	Unsecured notes (totals only)	-	-			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date:29 July 2010.....
(Company Secretary)

Print name: Eloise von Puttkammer

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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