FORM: Half yearly/preliminary final report

Name of *issuer*

AFRICAN PETROLEUM CORPORATION LIMITED

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('Current period')
125 419 730		x	Financial period ended 30 Jun 2010

For announcement to the market

Extracts from this statement for announcement to the market *(see note 1)*.

				$A,000
Revenue *(item 1.1)*	up	100%	to	1
Profit (loss) for the period *(item 1.9)*	down	(854%)	to	(24,241)
Profit (loss) for the period attributable to security holders *(item 1.11)*	down	(854%)	to	(24,241)

Income Distributions	Current period	Previous corresponding period
N/A	N/A	N/A

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

N/A

Review of operations

African Petroleum Corporation Limited (formerly Global Iron Limited) ("African Petroleum" or the "Company") has historically focused on iron ore exploration in Australia. In February 2010, the Company entered into a Share Sale Agreement ("Agreement") with Cayman incorporated African Petroleum Corporation Limited ("APCL"), European Hydrocarbons Limited ("EHL") and the shareholders of APCL. The Agreement set out that the Company would acquire 100% of APCL's share capital in exchange for the issue of 906,250,051 African Petroleum shares to the shareholders of APCL.

EHL is a wholly owned subsidiary of APCL and it holds a 100% interest in two oil and gas exploration blocks covering an area of approximately 7,200 square kilometres offshore Liberia in West Africa and has exclusive exploration rights over the blocks until 2016 ("Liberian Project").

The Agreement included the completion of a placement to raise between $130 million and $230 million and the receipt of conditional approval to be re-quoted on the Australian Securities Exchange ("ASX") as conditions precedent.

In March 2010, ASX advised African Petroleum that it would not admit the Company to quotation if it proceeded with the acquisition of APCL ("ASX Decision"). The Company subsequently appealed the ASX Decision, which resulted in the ASX Decision being overturned. Contemporaneous with its ASX appeal, the Company pursued a listing on the National Stock Exchange of Australia ("NSX").

On 27 May 2010, the Company lodged a prospectus to raise a minimum of $150 million and up to $230 million with the Australian Securities and Investments Commission and on 23 June 2010 the offer under the prospectus closed with $222 million raised.

African Petroleum was admitted to NSX's Official List on 28 June 2010 and completed its acquisition of APCL on that date. On 30 June 2010, the Consolidated Entity was admitted to Official Quotation on NSX (NSX code: AOQ). The Company subsequently de-listed its securities from trading on ASX and was removed from ASX's official list on 3 September 2010. All of the Company's ordinary shares are now quoted on NSX under the code AOQ.

The Company proposes to utilise the funds raised 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.

On 23 August 2010, the Company announced that one of its wholly owned subsidiaries, African Petroleum Gambia Limited ("African Petroleum Gambia"), has entered into an agreement with Buried Hill Gambia BV ("Buried Hill'') to acquire, via farm-in, a 60% equity interest in Buried Hill's two Gambian exploration licences, Alhamdulilah Licence Block A1 and Licence Block A4 ("Licence Blocks") ("Agreement'').

Under the Agreement, African Petroleum Gambia will assume the operatorship of the Licence Blocks, which cover a combined total area of 2,668km^2 off-shore The Gambia.

The Government of The Republic of The Gambia has approved the Agreement and the extension of the initial exploration period for each of the Licence Blocks by a further two years until 31 December 2013.

African Petroleum's acquisition of APCL is required to be accounted for as a reverse acquisition under Australian Accounting Standards.

EHL legally became a subsidiary of APCL on 29 January 2010. However, this business combination is also required to be accounted for as a reverse acquisition.

Consequently, EHL is regarded as the parent entity of both APCL and African Petroleum for accounting purposes. As a result, the current period financial result for the Consolidated Entity comprises the financial result of African Petroleum from 28 June 2010 (the date it was deemed to have been acquired by APCL) to 30 June 2010 and the financial result of EHL and its accounting subsidiaries for the period 1 January 2010 (date since EHL's last audited financial statements) to 30 June 2010.

The consolidation of EHL, APCL and APCL's other legal subsidiaries is referred to as the EHL Group.

The prior period financial result for the Consolidated Entity comprises the financial result of EHL for the period from 1 January 2009 to 31 December 2009 (the period covered in its last audited financial statements). EHL's functional currency is Great Britain Pounds. EHL's income statement for the year ended 31 December 2009 has been converted to Australian Dollars using the average GBP/AUD exchange rate for the 12 months ended 31 December 2009.

The Consolidated Entity incurred a loss after income tax of $24,241,250 for the period ended 30 June 2010 (2009: $2,540,242).

Consolidated statement of comprehensive income

		Current period - $A'000	Previous corresponding period - $A'000
1.1	Revenues *(item 7.1)*	1	-
1.2	Expenses, excluding finance costs *(item 7.2)*	(24,242)	(2,541)
1.3	Finance costs	-	
1.4	Share of net profits (losses) of associates and joint ventures *(item 15.7)*	-	-
1.5	**Profit (loss) before income tax**	(24,242)	(2,541)
1.6	Income tax expense *(see note 4)*	-	-
1.7	Profit (loss) from continuing operations	(24,242)	(2,541)
1.8	Profit (loss) from discontinued operations *(item 13.3)*	-	-
1.9	**Net loss for the period attributable to ordinary equity holders**	(24,241)	(2,541)
1.10	**Other comprehensive income and expenditure**		
1.11	Foreign currency translation	(773)	268
1.12	**Comprehensive expenditure for the period, net of tax**	(773)	268
1.13	**Total comprehensive loss for the period attributable to ordinary equity holders**	**(25,014)**	**(2,273)**
1.14	Basic earnings per *security (item 9.1)*	(3.12) cents	(0.28) cents
1.15	Diluted earnings per *security (item 9.1)*	(3.12) cents	(0.28) cents
1.16	Distribution per *security (item 9.1)*	-	-

Comparison of half-year profits

		Current period - $A'000	Previous corresponding period - $A'000
2.1	Consolidated profit (loss) after tax attributable to security holders reported for the 1st half year *(item 1.11* in the half yearly statement)	(354)[1]	(872)[2]
2.2	Consolidated profit (loss) after tax attributable to security holders for the 2nd half year	(24,241)[3]	(2,541)[4]

Notes

- The loss after tax for the 1st half year represents the loss reported by African Petroleum (then called Global Iron Limited) and published on ASX on 10 March 2010 (ASX code: GFE).

- The loss after tax for the previous corresponding 1st half year represents the loss reported by African Petroleum (then called Global Iron Limited) and published on ASX on 12 March 2009 (ASX code: GFE).

- The loss for the 2nd half comprises:

    - the loss recorded by African Petroleum for the period 28 June 2010 (the date it was deemed to have been acquired by EHL) to 30 June 2010; and
    - the loss recorded by the EHL Group from 1 January 2010 (date since last audited financial statements) to 30 June 2010.

- The loss after tax for the for the previous corresponding 2nd half year represents the loss reported by EHL in its last audited accounts which, cover the period 1 January 2009 to 31 December 2009.

Consolidated statement of financial position

The consolidated balance sheet as at 30 June 2010 (the current period) represents the consolidation of African Petroleum and the EHL Group.

The consolidated balance sheet for the previous corresponding period represents that of EHL as at 31 December 2009 (the date of its last audited accounts). EHL's functional currency is Great Britain Pounds. EHL's 31 December 2009 balance sheet has been converted to Australian Dollars using the GBP/AUD spot rate on 31 December 2009.

	Current assets	**Current period 30 Jun 2010 $A'000**	**Previous corresponding period 31 Dec 2009 $A'000**
3.1	Cash and cash equivalents	211,086	6,112
3.2	Trade and other receivables	366	19
3.3	Inventories	-	-
3.4	Other current assets (provide details if material)	-	-
3.5	**Total current assets**	211,452	6,131
	Non-current assets		
3.6	Available for sale investments	-	-
3.7	Restricted cash	-	-
3.8	Trade and other receivables	-	-
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised	33,792	3,030
3.11	Development properties	-	-
3.12	Property, plant and equipment (net)	35	10
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	-	-
3.16	Other (provide details if material)	-	-
3.17	**Total non-current assets**	33,827	3,040
3.18	**Total assets**	245,279	9,171

		Current period 30 Jun 2010 $A'000	Previous corresponding period 31 Dec 2009 $A'000
	Current liabilities		
3.19	Trade and other payables	30,159	2,003
3.20	Short term borrowings	1,893	1,536
3.21	Current tax payable	-	-
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		32,052	3,539
3.25	Liabilities directly associated with non-current assets classified as held for sale	-	-
3.26	**Total current liabilities**	32,052	3,539
	Non-current liabilities		
3.27	Long-term borrowings	-	-
3.28	Deferred tax liabilities	-	-
3.29	Long term provisions	-	-
3.30	Provision for site rehabilitation	-	-
3.31	**Total non-current liabilities**	-	-
3.32	**Total liabilities**	32,052	3,539
3.33	**Net assets**	213,227	5,632
	Equity		
3.34	Share capital	244,971	12,271
3.35	Other reserves	(505)	268
3.36	Retained earnings	(31,279)	(6,907)
3.37	Minority interests	40	-
3.38	**Total equity**	213,227	5,632

Consolidated statement of changes in equity

The consolidated statement of changes in equity for the current period comprises:

- The equity balance of EHL at the beginning of the period, 1 January 2010,
- The total comprehensive income and transactions with equity holders for the period to 1 January 2010 to 30 June 2010 for the EHL Group and 28 June 2010 to 30 June 2010 for African Petroleum,
- The consolidated equity balance of the EHL Group and African Petroleum as at 30 June 2010.

The consolidated statement of changes in equity for the previous corresponding period comprises the 12 months from 1 January 2009 to 31 December 2009 for EHL (as per its last audited financial statements). EHL's functional currency is Great Britain Pounds. EHL's statement of changes in equity for the year ended 31 December 2009 has been converted to Australian Dollars using the average GBP/AUD exchange rate for the 12 months ended 31 December 2009.

	Ordinary Shares	**Foreign Currency Translation Reserve**	**Outside equity interests**	**Accumulated Losses**	**Total**
	A$'000	**A$'000**	**A$'000**	**A$'000**	**A$'000**
At 1 January 2010	12,271	268		(6,907)	5,632
Net operating loss for the period				(24,241)	(24,241)
Fair value of International shares transferred to Eastern under reverse acquisition accounting	231,964				231,964
Foreign currency exchange differences arising on consolidation of foreign operation		(773)			(773)
Recognition of minority interests pursuant to a business combination			40		40
Movement due to fluctuations in foreign currency exchange rates	736			(131)	605
At 30 June 2010	**244,971**	**(505)**	**40**	**(31,279)**	**213,227**

	Ordinary Shares	Foreign Currency Translation Reserve	Accumulated Losses	Total
	A$'000	A$'000	A$'000	A$'000
At 1 January 2009	2,476		(5,131)	(2,655)
Net operating loss for the period			(2,541)	(2,541)
Issue of shares pursuant to a capital raising	10,164			10,164
Foreign currency exchange differences arising on consolidation of foreign operation		268		268
Movement due to fluctuations in foreign currency exchange rates	(369)		765	396
At 31 December 2009	**12,271**	**268**	**(6,907)**	**5,632**

Consolidated statement of cash flows
The consolidated statement of cash flows for the current period comprises:

- The cash balance of EHL at the beginning of the period, 1 January 2010,
- The transactions for the period ended 30 June 2010, being 6 months of the EHL Group and 2 days of African Petroleum,
- The consolidated cash balance of the EHL Group and African Petroleum as at 30 June 2010.

The consolidated statement of cash flows for the previous corresponding period comprises 12 months of EHL from 1 January 2009 to 31 December 2009 (being the period covered in its last audited financial statements).

EHL's functional currency is Great Britain Pounds. EHL's cash flow movements for the year ended 31 December 2009 have been converted to Australian Dollars using the average GBP/AUD exchange rate for the 12 months ended 31 December 2009. The opening cash position on 1 January 2009 has been converted to Australian Dollars using the USD/AUD exchange rate on 31 December 2008 and the closing cash position on 31 December 2009 has been converted to Australian Dollars using the USD/AUD exchange rate on 31 December 2009.

		Current period - $A'000	Previous corresponding period - $A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	-	-
5.2	Payments to suppliers and employees	(3,043)	(2,757)
5.3	Interest and other costs of finance paid	-	-
5.4	Income taxes paid	-	-
5.5	Other	-	-
5.6	**Net cash used in operating activities**	(3,043)	(2,757)
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(23)	(11)
5.8	Proceeds from sale of property, plant and equipment	-	-
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-

		Current period - $A'000	Previous corresponding period - $A'000
5.11	Payments for exploration and evaluation activities	(3,357)	(1,780)
5.12	Cash backing security provided	-	-
5.13	Other: Cash balances acquired on acquisition of controlled entities	211,041	-
5.14	**Net cash from / (used in) investing activities**	207,661	(1,791)
	Cash flows related to financing activities		
5.15	Proceeds from issues of securities net of capital raising costs (shares, options, etc.)	-	11,360
5.16	Proceeds from borrowings	356	-
5.17	Repayment of borrowings	-	-
5.18	Distributions paid	-	-
5.19	Other (provide details if material)	-	-
5.20	**Net cash from / (used in) financing activities**	356	11,360
	Net increase (decrease) in cash and cash equivalents	204,974	6,812
5.21	Cash at beginning of period (*see Reconciliations of cash*)	6,112	21
5.22	Exchange rate adjustments	-	(721)
5.23	**Cash at end of period** (*see* Reconciliation of cash)	211,086	6,112

Reconciliation of cash provided by operating activities to profit or loss

		Current period $A'000	Previous corresponding period $A'000
6.1	**Loss** *(item 1.9)*	(24,241)	(2,541)
	Adjustments for:		-
6.2	Depreciation	-	-
6.3	Excess consideration written off	21,432	-
6.4	Discount on acquisition of controlled entity	(312)	-
6.5	Increase/(decrease) in provisions	-	-
6.6	(Increase)/decrease in trade & other receivables	(255)	656
6.7	Increase/(decrease) in trade & other payables	333	(872)
6.8	Increase/decrease in		
6.9	Increase/decrease in		
6.10	**Net cash from operating activities** *(item 5.6)*	(3,043)	(2,757)

Notes to the financial statements

Details of revenues and expenses

		Current period - $A'000	Previous corresponding period - $A'000
	Revenue		
	Interest income	1	-
	Other income	**-**	-
7.1	**Total Revenue**	**1**	**-**
	Expenses		
	Employee benefits expense	(884)	(972)
	Consulting expenses	(1,565)	(1,310)
	Compliance and regulatory expenses	(36)	(68)
	Administration expenses	(458)	(191)
	Depreciation	-	-
	Foreign exchange gains / (losses)	(179)	-
	Excess purchase consideration written off	(21,432)	-
	Discount on acquisition of controlled entity	312	
7.2	**Total Expenses**	**(24,242)**	**(2,541)**
	Profit (loss) before tax	**(24,241)**	**(2,541)**

Ratios		Current period	Previous corresponding period
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax *(item 1.5)* as a percentage of revenue *(item 1.1)*	N/A – nominal revenue	N/A – no revenue
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to security holders *(item 1.11)* as a percentage of equity (similarly attributable) at the end of the period *(item 3.37)*	(11%)	(45%)

Earnings per *Security*

9.1	*Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:*
	Current Period Loss for the period: $24,241,250 Weighted average number of shares on issue: 778,053,955 The weighted average number of shares on issue has been calculated by adding together the weighted average number of ordinary shares on issue by APCL from 1 January 2010 to 28 June 2010 and the weighted average number of ordinary shares on issue by African Petroleum from 28 June 2010 to 30 June 2010. **Previous corresponding period** Loss for the period: $2,540,242 Weighted average number of shares on issue: 906,248,054 The weighted average number of shares on issue has been calculated using the weighted average number of ordinary shares on issue by EHL from 1 January 2009 to 31 December 2009.

Income distributions

10.1	Date the income distribution is payable	N/A

10.2	Record date to determine entitlements to the income distribution (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)	N/A

10.3 The *distribution plan*s shown below are in operation.

N/A

The last date(s) for receipt of election notices to the *distribution plan*s

N//A

10.4 Any other disclosures in relation to *distributions*

N/A.

Distributions paid or provided for on all *securities*

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

		Current period - $A'000	**Previous corresponding period - $A'000**	**Franking rate applicable**
	Distributions paid or provided for during the reporting period			
10.5	Current year interim	N/A	N/A	N/A
10.6	Previous year final	N/A	N/A	N/A

Distributions per *security*
(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

		Current year	**Previous year**	**Franking rate applicable**
	Distributions paid or provided for during the reporting period			
10.7	Current year interim	N/A	N/A	N/A
10.8	Previous year final	N/A	N/A	N/A

Exploration and evaluation expenditure capitalised

To be completed only be issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

		Current period $A'000	Previous corresponding period $A'000
11.1	Opening balance	3,030	1,689[1]
11.2	Expenditure incurred during current period (cash)	3,357	1,780
11.3	Expenditure incurred during current period (non cash)	27,280	-
11.4	Expenditure written off during current period	-	-
11.5	Acquisition as a result of a business combination	125	-
11.6	Movements in capitalised exploration and evaluation costs due to fluctuations in foreign exchange rates		(439)
11.7	Expenditure transferred to Development Properties	-	-
11.8	**Closing balance as shown in the consolidated balance sheet** (item 3.10)	33,792	3,030

[1] opening balance at 1 January 2009 represents the closing balance from EHL's 31 December 2008 audited accounts converted into Australian Dollars at the GBP/AUD foreign exchange rate on 31 December 2008.

Development properties

(To be completed only by issuers with mining interests if amounts are material)

		Current period $A'000	Previous corresponding period $A'000
12.1	Opening balance	-	-
12.2	Expenditure incurred during current period	-	-
12.3	Expenditure transferred from exploration and evaluation	-	-
12.4	Expenditure written off during current period	-	-
12.5	Acquisitions, disposals, revaluation increments, etc.	-	-
12.6	Expenditure transferred to mine properties	-	-
12.7	**Closing balance as shown in the consolidated balance sheet** (item 3.11)	-	-

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

		Current period $A'000	**Previous corresponding period $A'000**
13.1	Revenue	-	-
13.2	Expense	-	-
13.3	**Profit (loss) from discontinued operations before income tax**	-	-
13.4	Income tax expense *(as per para 81 (h) of AASB 112)*	-	-
13.5	**Gain (loss) on sale/disposal of discontinued operations**	-	-
13.6	**Income tax expense (as per paragraph 81(h) of AASB 112)**	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

Although African Petroleum's acquisition of 100% of APCL is required to be accounted for as a reverse acquisition, the capital structure of the Consolidated Entity is that of the legal parent, African Petroleum.

The current period reflects the movements in African Petroleum's capital structure for the 12 month period 1 July 2009 to 30 June 2010.

The previous corresponding period reflects the movements in African Petroleum's capital structure for the 12 month period 1 July 2008 to 30 June 2009.

During the current period, African Petroleum applied for quotation on NSX. On 28 June 2010, the Consolidated Entity was admitted to NSX's Official List and on 30 June 2010, the Consolidated Entity was admitted to Official Quotation on NSX. On 3 September 2010, the Company was de-listed from ASX.

		Current period				**Previous corresponding period**		
		Number	**Number quoted on NSX**	**Paid-up value (cents)**	**Carrying value A$'000**	**Number**	**Number quoted on ASX**	**Carrying value A$'000**
14.1	**Preference securities**							
14.2	Balance at start of period	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14.3	a) Increases through issues	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14.4	a) Decreases through returns of capital, buybacks etc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14.5	Balance at end of period	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14.6	**Ordinary securities** *(fully paid ordinary shares)*							
14.7	Balance at start of period	**18,125,002**	**-**		**2,328**	**18,125,002**	**18,125,002**	**2,328**

		Current period				Previous corresponding period		
		Number	**Number quoted on NSX**	**Paid-up value (cents)**	**Carrying value A$'000**	**Number**	**Number quoted on ASX**	**Carrying value A$'000**
14.8	a) Increases through issues							
	Application for quotation		**18,125,002**[1]					
	Issue of shares to acquire APCL	**906,250,051**	**906,250,051**[2]	**N/A**[3]	**498,438**			**-**
	Issue of shares pursuant to a capital raising	**403,627,545**	**403,627,545**	**55 c**	**205,505**[4]			**-**
14.9	b) Decreases through returns of capital, buybacks etc.	**-**	**-**	**-**	**-**	**-**	**-**	**-**
14.10	Balance at end of period	**1,328,002,598**	**1,328,002,598**		**706,271**	**18,125,002**	**18,125,002**	**2,328**

[1] These shares have been quoted on NSX with effect from 30 June 2010.
[2] These shares are escrowed for a period of 12 months (273,214,564 shares) and 24 months (633,035,487 shares) from 30 June 2010 and are quoted on NSX but are unable to trade until 30 June 2011 and 30 June 2012 respectively.
[3] These shares were issued for nil consideration as they were issued to acquire 100% of the share capital of APCL.
[4] Proceeds from capital raising net of capital raising costs.

		Current period				Previous corresponding period	
		Number issued	**Number listed**	**Paid-up value (cents)**	**A$'000**	**Number issued**	**A$'000**
14.11	**Convertible Debt Securities** *(description & conversion factor)*						
14.12	Balance at start of period	N/A	N/A	N/A	N/A	N/A	
14.13	a) Increases through issues	N/A	N/A	N/A	N/A	N/A	
14.14	b) Decreases through maturity, converted.	N/A	N/A	N/A	N/A	N/A	
14.15	Balance at end of period	N/A	N/A	N/A	N/A	N/A	
14.16	**Options**						
14.17	Balance at start of period	**12,500,000**	**-**	**-**	**1,229**	**12,500,000**[6]	**1,229**
14.18	Issued during period	**12,108,826**[5]	**-**	**-**	**4,925**[5]	**-**	**-**
14.19	Exercised during period	**-**	**-**	**-**	**-**	**-**	**-**
14.20	Expired during period	**-**	**-**	**-**	**-**	**-**	**-**
14.21	Balance at end of period	**24,608,826**	**-**	**-**	**6,154**	**12,500,000**	**1,229**

[5] These options have an exercise price of $0.55 and an expiry date of 30 June 2013. The options were valued on grant date at $4,925,463.
[6] Balance comprises 12,500,000 unlisted options with an exercise price of $0.20 and an expiry date of 31 July 2010.

		Number issued	Number listed	Paid-up value (cents)	Current period – A$'000	Previous corresponding period – A$'000
14.22	**Debentures** *(description)*					
14.23	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.24	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.25	b) Decreases through maturity, converted	N/A	N/A	N/A	N/A	N/A
14.26	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.27	**Unsecured Notes** *(description)*					
14.28	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.29	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.30	b) Decreases through maturity, converted	N/A	N/A	N/A	N/A	N/A
14.31	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.36	**Total *Securities***	**1,352,611,424**	**1,328,002,598**		**712,425**	**3,557**

		Current period – A$'000	Previous corresponding period – A$'000
	Reserves		
14.33	Balance at start of period	268	-
14.34	Transfers to/from reserves	-	-
14.35	Movements in reserves due to fluctuations in foreign exchange rates	(773)	268
14.36	Balance at end of period	(505)	268
14.37	**Total reserves**	**(505)**	**268**
	Accumulated losses		
14.38	**Balance at start of period**	(6,907) [1]	(5,131)[2]
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Loss for the balance	(24,241)	(2,541)
14.42	Movement in accumulated losses due to fluctuations in foreign exchange rates	(131)	765
14.43	Dividends	-	
14.44	**Balance at end of period**	(31,279)	(6,907)

[1] opening balance at 1 January 2010 represents the closing balance from EHL's 31 December 2009 audited accounts converted into Australian Dollars at the GBP/AUD foreign exchange rate on 31 December 2009.

[2] opening balance at 1 January 2009 represents the closing balance from EHL's 31 December 2008 audited accounts converted into Australian Dollars at the GBP/AUD foreign exchange rate on 31 December 2008.

Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(under AASB 128: Investments in Associates paragraph Aus 37.1 and AASB 131: Interests in Joint Ventures paragraph Aus 57.3)

Name of associate or joint venture entity	N/A

Reporting entities percentage holding	N/A

		Current period - $A'000	Previous corresponding period - $A'000
15.1	Profit (loss) before income tax	-	-
15.2	Income tax	-	-
15.3	**Profit (loss) after tax**	-	-
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	**Share of net profit (loss) of associates and joint venture entities**	-	-

Control gained over entities having material effect
(*See note 8*)

African Petroleum completed the acquisition of 100% of APCL on 28 June 2010. Under Australian Accounting Standards (AASB 3 "Business Combinations"), this Acquisition is required to be accounted for as a reverse acquisition. This means that African Petroleum is treated as a subsidiary of APCL for accounting purposes although legally it is the parent entity of African Petroleum.

16.1	Name of entity acquired	African Petroleum Corporation Limited (formerly Global Iron Limited)

			$A'000
16.2	Consolidated profit (loss) after tax of African Petroleum since the date in the current period on which control was acquired		-
16.3	Date from which profit (loss) in *item 16.2* has been calculated	28 June 2010	
16.4	Profit (loss) after tax of African Petroleum for the whole of the previous corresponding period	1 Jul 2008 to 30 June 2009	(1,188)

Loss of control of entities having material effect
(See note 8)

17.1	Name of *issuer* (or *group*)	N/A

		$A'000
17.2	Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control	N/A
17.3	Date from which the profit (loss) in *item 17.2* has been calculated	N/A
17.4	Consolidated profit (loss) after tax of the entity (or *group*) while controlled during the whole of the previous corresponding period	N/A
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	N/A

Material interests in entities which are not controlled entities
The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		**Contribution to profit (loss)** ***(item 1.9)***	
18.1	**Equity accounted associated entities**	**Current period**	**Previous corresponding period**	**Current period $A'000**	**Previous corresponding period $A'000**
	N/A	N/A	N/A	***Equity accounted***	
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
18.2	**Total**	N/A	N/A	N/A	N/A
18.3	**Other material interests**			**Non equity accounted (i.e. part of *item 1.9*)**	
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
18.4	**Total**	N/A	N/A	N/A	N/A

Reports for industry and geographical segments
In accordance with AASB 8 "Operating Segments", an operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

The Consolidated Entity only has one operating segment being exploration for hydrocarbons.

		Current period - $A'000			**Previous corresponding period - $A'000**		
	Segments	**Exploration for Hydrocarbons**	**Unallocated items**	**Total**	**Exploration for Hydrocarbons**	**Unallocated items**	**Total**
	Revenue:						
19.1	External sales	-	-	-	-	-	-
19.2	Interest received and other income	-	1	1	-	-	-
19.3	**Total segment revenue**	**-**	**1**	**1**	**-**	**-**	**-**
19.4	**Segment net operating loss after tax**	**(2,810)**	**(21,431)**	**(24,241)**	**(2,541)**	**-**	**(2,541)**
19.5	Separately disclosable items within operating loss:						
	Excess purchase consideration written off		(21,432)	(21,432)	-	-	-
19.6	**Segment assets**	**245,154**	**125**	**245,279**	**9,171**	**-**	**9,171**
19.7	Investments in associates	-	-	-	-	-	-
19.8	Capitalised expenditure	33,667	125	33,792	3,030	-	3,030

		Current period - $A'000			Previous corresponding period - $A'000		
	Segments	**Exploration for Hydrocarbons**	**Unallocated items**	**Total**	**Exploration for Hydrocarbons**	**Unallocated items**	**Total**
	Other assets	211,487	-	211,487	6,141	-	6,141
19.9	**Total assets**	**245,154**	**125**	**245,279**	**9,171**	**-**	**9,171**
19.10	**Segment liabilities**	**(32,052)**	**-**	**(32,052)**	**(3,539)**	**-**	**(3,539)**
19.11	**Cash flow information**						
19.12	Net cash outflow from operating activities	(3,043)	-	(3,043)	(2,757)	-	(2,757)
19.13	Net cash outflow from investing activities	(3,043)	-	(3,043)	(1,791)	-	(1,791)
19.4	Net cash inflow from financing activities	211,060	-	211,060	11,360	-	11,360

NTA Backing

20.1		Current period	Previous corresponding period
Net tangible asset backing per ordinary *security*		13.51 cents[1]	0.29 cents[2]

[1] based on the number of African Petroleum on issue as at 30 June 2010

[2] based on the number of EHL shares on issue as at 31 December 2009

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	African Petroleum completed the acquisition of 100% of APCL on 28 June 2010 ("Acquisition"). The consideration for the Acquisition was the issue of 906,250,051 ordinary shares. African Petroleum successfully raised $222 million through a placement. The brokers that supported the placement were issued 12,108,826 unlisted African Petroleum options as part of their fee. The unlisted options have an expiry date of 30 June 2013 and an exercise price of $0.55. During the current period the EHL Group incurred expenditure in relation to its Liberian Project of approximately $27 million which had not been paid at 30 June 2010.

International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	N/A

Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	*N/A*

Comments by *directors*

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

On 28 June 2010, African Petroleum Corporation Limited (formerly Global Iron Limited) ("African Petroleum" or the "Company") completed the acquisition of 100% of Cayman incorporated African Petroleum Corporation Limited ("APCL"). Under the terms of AASB 3 "Business Combinations", APCL was deemed to be the accounting acquirer in the business combination. Consequently, the transaction has been accounted for as a reverse acquisition.

On 29 January 2010, European Hydrocarbons Limited ("EHL") became a legal subsidiary. However, this business combination is also required to be accounted for as a reverse acquisition.

Consequently, EHL is regarded as the parent entity of both APCL and African Petroleum for accounting purposes. The consolidation of EHL, APCL and APCL's other legal subsidiaries is referred to as the EHL Group.

The financial report for the Consolidated Entity has been prepared as a continuation of the business and operations of EHL. EHL, as the deemed acquirer, has accounted for the acquisition of African Petroleum from 28 June 2010. The comparative information for the Consolidated Entity presented in the financial statements is that of EHL.

The financial year end of EHL is 31 December. The last audited financial statements for EHL are for the year ended 31 December 2009. The financial year end of African Petroleum is 30 June. The last audited financial statements for African Petroleum are for the year ended 30 June 2009.

The financial report for the Consolidated Entity for the current period represents the accounting period from the last year end of EHL, 31 December 2009, to 30 June 2010.

The implications of the application of AASB 3 on this financial report are as follows:

Consolidated income statement

- The consolidated income statement for the current period comprises 6 months of the EHL Group from 1 January 2010 to 30 June 2010 and 2 days of African Petroleum from 28 June 2010 to 30 June 2010.
- The consolidated income statement for the previous corresponding period comprises 12 months of EHL from 1 January 2009 to 31 December 2009.

Consolidated statement of financial position

- The consolidated statement of financial position as at 30 June 2010 represents the consolidation of African Petroleum and the EHL Group.
- The comparative consolidated statement of financial position represents that of EHL as at 31 December 2009.

Consolidated statement of changes in equity

The consolidated statement of changes in equity for the current period comprises:

- The equity balance of EHL at the beginning of the period, 1 January 2010,
- The total income and transactions with equity holders for the period to 30 June 2010, being 6 months of the EHL Group and 2 days of African Petroleum, and

- The consolidated equity balance of the EHL Group and African Petroleum as at 30 June 2010.

The consolidated statement of changes in equity for the previous corresponding period comprises 12 months of EHL from 1 January 2009 to 31 December 2009.

Consolidated statement of cash flows

The consolidated statement of cash flows for the current period comprises:

- The cash balance of EHL at the beginning of the period, 1 January 2010,
- The transactions for the period ended 30 June 2010, being 6 months of the EHL Group and 2 days African Petroleum, and
- The consolidated cash balance of the EHL Group and African Petroleum as at 30 June 2010.

The consolidated statement of cash flow for the previous corresponding period comprises 12 months of EHL from 1 January 2009 to 31 December 2009.

Subsequent Events

Subsequent to 30 June 2010, the Board of Directors resolved to change the year-end of African Petroleum to 31 December so that it is aligned with the year-end of the EHL Group.

On 23 August 2010, the Company announced that one of its wholly owned subsidiaries, African Petroleum Gambia Limited ("African Petroleum Gambia"), had entered into an agreement with Buried Hill Gambia BV ("Buried Hill'') to acquire, via farm-in, a 60% equity interest in Buried Hill's two Gambian exploration licences, Alhamdulilah Licence Block A1 and Licence Block A4 ("Licence Blocks") ("Agreement'').

Under the Agreement, African Petroleum Gambia will assume the operatorship of the Licence Blocks, which cover a combined total area of 2,668km^2 off-shore The Gambia.

The Government of The Republic of The Gambia has approved the Agreement and the extension of the initial exploration period for each of the Licence Blocks by a further two years until 31 December 2013.

To earn the 60% legal and beneficial interest in the Licence Blocks, African Petroleum Gambia must:

(a) pay 80% of the costs incurred on the Licence Blocks from execution of the Agreement to the end of the initial exploration period (31 December 2013), which shall include the cost of a 3D seismic acquisition programme over the Licence Blocks, the drilling of the first exploration well and all other operational and technical support costs;

(b) assume responsibility for all of Buried Hill's corporate licence guarantees, amounting to US$8 million; and

(c) pay Buried Hill's data fees payable to the Government of The Republic of The Gambia, amounting to US$750,000.

In the event that the exploration period is mutually extended beyond 31 December 2013 on either of the Licence Blocks, African Petroleum Gambia must pay 60% of Buried Hill's past costs, which amount to approximately US$22.9 million.

On 3 September 2010, African Petroleum Corporation Limited was de-listed from ASX at the request of the Company.

No other event has arisen between 30 June 2010 and the date of this report (13 September 2010) that would be likely to materially affect the operations of the Consolidated Entity or its state of affairs which have not otherwise been disclosed in this financial report.

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

Nil

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

N/A – no prospect for paying fully or partly franked dividends for at least the next year.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

Nil

An *issuer* shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (*as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)*

NIL

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (*as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

NIL

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assts since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

Contingent liabilities

Set out below is a summary of obligations in respect of Liberian Blocks 8 and 9 in each exploration period, detailing the work commitments, minimum expenditures and mandatory relinquishments under Production Sharing Contracts.

Blocks 8 and 9 Summary Exploration Periods, Work Commitments, Minimum Expenditure and Mandatory Relinquishment						
Exploration Period	**Commencement Date**	**Expiration Date**	**Period Years**	**Minimum Work Commitment per Block**	**Minimum Expenditure (US$)**	**Mandatory Relinquishment**
1	23/06/2008	23/06/2012	4	1500km^2 3D Seismic, drill 1 exploratory well	US$8 million	25%
2	23/06/2012	23/06/2014	2	Drill 1 exploratory well	US$10 million	25%
3	23/06/2014	23/06/2016	2	Drill 1 exploratory well	US$10 million	100%

Notes:

- Drilling exploration wells is contingent on the success of the seismic program in defining drill targets.

- Each exploration well must be drilled to a minimum 2,000 metres after deducting water depth.

- At the end of the Third Exploration Period, the remaining area of the Blocks must be relinquished other than areas of petroleum discovery, the subject of Appraisal or Exploration authorisations.

- The above requirements, commitments and relinquishments are required to be met on both Block 8 and 9. That is in The First Exploration Period, aggregate minimum expenditure is US$16 million and two exploratory wells are required to be drilled.

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

NIL

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

African Petroleum completed the acquisition of 100% of APCL on 28 June 2010 ("Acquisition"). The consideration for the Acquisition was the issue of 906,250,051 ordinary shares. African Petroleum successfully raised $222 million through a placement. The brokers that supported the placement were issued 12,108,826 unlisted African Petroleum options as part of their fee. The unlisted options have an expiry date of 30 June 2013 and an exercise price of $0.55.

Annual meeting
The annual meeting will be held as follows:

Place	Function Centre Kailis Bros Fish Market and Café 101 Oxford Street, Leederville, Western Australia 6007
Date	25 November
Time	To be confirmed
Approximate date the annual report will be available	Statutory financial statements to be lodged on NSX Platform on or around 30 September 2010. Annual Report to be despatched to shareholders on or around 25 October 2010.

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 the Exchange (see note 13).

Identify other standards used	N/A

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

3. This statement does give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

☐	The financial statements have been audited.	☐	The financial statements have been subject to review by a registered auditor (or overseas equivalent).
X	The financial statements are in the process of being audited or subject to review.	☐	The financial statements have *not* yet been audited or reviewed.

5. The accounts are in the process of being audited. Consequently, the audit report is not attached. Details of any audit report qualifications will be published as soon as they are available.

6. As at 30 June 2010 African Petroleum Corporation Limited did not have a formally constituted audit committee. Subsequent to 30 June 2010, an audit committee has been formed.

Sign here: ..... Date: .....
(*Director*/Company secretary)

Print name: .....