



6 April 2010

The Company Announcements Office
ASX Limited

Global commences appeal following decision by ASX

Key points:

- In February 2010, Global announced it had signed an agreement to acquire African Petroleum Corporation Limited (“African Petroleum”) and would raise between A\$130 million and A\$230 million as part of the transaction,
- ASX disallowed Global’s request to suspend its securities from trading until shareholders had approved the transaction,
- Global has to date received firm commitments totalling approximately A\$130 million to participate in the capital raising,
- ASX has advised that it will not admit Global to admission and quotation if it completes the acquisition of African Petroleum,
- Global has appealed this decision and reserved its legal rights and retained Martin Bennett.

ASX listed Global Iron Limited (**ASX: GFE**) (“Global” or the “Company”), announced on 9 February 2010 a transaction to acquire private company, African Petroleum, which at completion will hold the rights to 2 highly prospective oil and gas exploration blocks off the coast of Liberia, West Africa, in a deal valued at approximately A\$500 million (“Transaction”).

The Transaction is subject to a number of conditions being satisfied including the receipt of Global Shareholder approval, and the Company successfully completing a capital raising of at least A\$130 million and up to A\$230 million.

The capital raising was to be undertaken by way of a placement of shares at \$0.55 per share to raise up to A\$230 million (“Placement”). The Company has to date received firm commitments of approximately A\$130 million subject to a long stop date of 30 April 2010. If the Transaction is not completed by 30 April 2010, these firm commitments may be lost.

A Notice of Meeting was lodged with ASX for review on or about 10 February 2010 in respect of the Transaction.

On 26 March 2010, ASX advised the Company that it will not admit Global to admission and quotation if it completes the Transaction. ASX’s decision, as advised to the Company, stems from its concerns over the influence of that Mr Frank Timis, as a substantial shareholder and non executive director, will have on the Company’s ability to comply with its continuous disclosure obligations post the Transaction, with disregard to the other directors and officers of the Company.



Prior to the Company receiving ASX's decision, it provided to ASX a number of additional undertakings in relation to the conduct of the Company, particularly in relation to corporate governance.

The Company has specifically advised ASX that it will form a continuous disclosure committee, of which Mr Timis will not be a member, and that Mr Timis will not be responsible for determining if an announcement will be required or approving an announcement for release.

Attached herewith is a response the Company provided to ASX on 1 April 2010 which indicates the lengths the Company has undertaken to comply with its continuous disclosure obligations since receipt of the ASX decision.

The A\$130 million firm commitments received to date are from leading UK based institutions with their own compliance departments and corporate governance guidelines, and are an indication of the support from institutional investors as to Mr Timis' involvement with the Company post completion of the Transaction.

Following the ASX announcement on 9 February 2010, Global's share price increased from around 35 cents to above 50 cents and has remained over 45 cents, which is indicative of the support for the Transaction and Mr Timis' involvement post completion of the Transaction. The Company requested ASX to keep the Company in suspension from the date of the announcement until the shareholders meeting which was denied by ASX.

The Company is of the view that ASX does not have the discretion or the authority to make this decision and has appealed ASX's decision on that basis. The Company has also reserved all rights that it may have against ASX and has retained Martin Bennett to act on its behalf.

The Board requests that Shareholders remain patient while the full impact of ASX's decision is determined. As more information becomes available to the Company, it will advise Shareholders accordingly.

The Board has requested ASX to allow the Company to remain in suspension pending the outcome of the appeal.

Yours faithfully
Global Iron Limited

Tony Sage
Executive Chairman

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1 April 2010

Elizabeth Harris
Senior Advisor, Issuers (Perth)
ASX Market Supervision Pty Ltd
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Dear Elizabeth

RE: RESPONSE TO GLOBAL IRON LIMITED – ASX QUERY

I refer to your letter dated 1 April 2010 requesting a response from the Company regarding a decision by ASX that it would not admit the Company to admission and quotation following the proposed acquisition of African Petroleum Corporation Limited (the "Decision").

In response to your questions we advise as follows:

1. *Does the Company believe that the Information (or any part of it) is material to the Company?*

Yes (refer to point 4 below).

2. *When did the Company become aware of the Information?*

The Company's legal representative received correspondence from the ASX at approximately 1.46pm (WST) on 26 March 2010, which was immediately relayed to the Company.

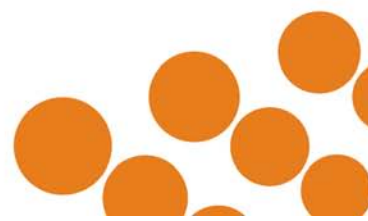
3. *If the answer to question 1 is "no", please advise the basis on which the Company does not consider the information to be material?*

Not applicable given our response to Question 1.

4. *If the answer to question 1 is "yes" why has no disclosure been made to the market about the information, notwithstanding ASX's requests on a number of occasions that the disclosure of the information be made immediately? Please comment specifically on the application of Listing Rule 3.1 and the exceptions to the rule in Listing Rule 3.1A.*

The Company considers that it has attempted to disclose the Information and the impact of that Information to the market in the most timely manner available. In this regard, the Company considers that the history of correspondence and dialogue between the Company and ASX between the date of receipt of the ASX letter (after close of trade on 26 March 2010) and today to be relevant and has set this out below:

- (a) The Company lodged an announcement on the ASX platform on Sunday, 28 March 2010, which was prior to the market opening on the day following receipt of the Decision by the Company (**First Announcement**);



- (b) Prior to open of trade on 29 March 2010, ASX phoned the lawyers for the Company and advised that they would not release the First Announcement as they considered the reference to the Company and ASX being in “discussions” was inaccurate despite the Company lodging an appeal and sending a letter to ASX attempting to address ASX’s concerns culminating in the Decision, to ASX on Sunday 29 March 2010. In that conversation ASX was not certain what the announcement should contain as the lawyers confirmed that the announcement would NOT be stating that the transaction was not proceeding, which was the requirement under the ASX Letter. ASX took this point on board and stated that they would consider this issue and revert back to the lawyers and the Company on the form the announcement should take;
- (c) By the end of trade on Monday 29 March 2010, neither the Company nor its lawyers had received confirmation from ASX on the required content of the announcement considering the announcement would not be stating that the transaction was not proceeding. The Company’s lawyers contacted ASX on the evening of 29 March 2010 and referred to the fact that ASX was to revert to the Company on this issue and the Company was still waiting for guidance and clarity on this issue;
- (d) On the afternoon of 30 March 2010, ASX phoned the Company’s lawyers and advised that the announcement for the Company (and International Petroleum Limited, which received a similar decision from ASX) should refer to the Decision and Company’s decision to appeal and that would form the basis for reinstatement of the Company’s securities back into trade. The Company’s lawyer queried this as it was in contrast to the ASX letter which clearly stated *“GFE’s securities will be suspended from quotation until it announces to the market that it is not proceeding with the proposed acquisition of African Petroleum”*. There was a discussion with ASX in respect of how IPO would be treated if a similar announcement was made and ASX stated that they would need to check this and revert to the Company which was not done until approximately 3.30pm (WST). Until this time, the Company (and it would appear ASX) was uncertain of the form or context of the announcement that should be made. ASX requested that the next draft of the announcement be provided to them for review rather than releasing straight to the platform;
- (e) On the evening of 30 March 2010 (following confirmation of the required content of the announcement from ASX that afternoon), the Company, through its lawyers, requested writing clarification from ASX on a number of points to ensure that the announcement they released comprehensively addressed the concerns and requirements of shareholders.
- (f) ASX advised the Company on 31 March 2010 at 10.15am (WST) that it required an announcement to be released and although it would respond to the questions posed, it would not do so prior to the release of the announcement. To date, the Company has still not received responses to the queries that the Company asked of ASX;

- (g) In response to ASX's request for an announcement, the Company, through its lawyers, responded to ASX's letter at 2.20pm (WST) on 31 March 2010 and set out that both IPO and GFE recognised their continuous disclosure obligations and had sought responses to the questions posed to ASX to enable them to update shareholders of IPO and GFE fully of the Decision and how that decision impacted on the shareholders of those Companies. With that letter the Company provided ASX with a draft announcement (**Second Announcement**). The Company advised that the board was still waiting for approval of the Second Announcement from the Chairman who was travelling;
- (h) ASX advised at approximately 4.30pm (WST) on 31 March 2010 that it required a couple of amendments to the Second Announcement;
- (i) The Company again conveyed in writing to ASX today, 1 April 2010 that the board had considered the Second Announcement (including the amendments requested by ASX) and formed the view that it did not contain sufficient information for shareholders particularly in respect of the appeal and due to ASX not responding to the queries asked of it, the Company was seeking further information from its barrister in the appeal. The Company advised ASX that the comprehensive announcement including the Information and the impact of that Information would be released to the market prior to the next trading day; and
- (j) ASX was advised that between the lodgement of the initial announcement with ASX (on Sunday 28 March 2010) and today, the Chairman of the Company was travelling and not available at all times for discussion and review of announcements, causing some delay with approvals. Considering the unprecedented decision, it was deemed essential that he be comfortable with the release to be made to the market. Despite this, at least 2 announcements were provided to ASX.

5. *Please confirm that the Company is in compliance with Listing Rule 3.1.*

Based on the comments in point 4 above and in particular the fact that:

- (a) ASX was unsure of the required content of the announcement until 30 March 2010;
- (b) the Company has provided 2 draft announcements to ASX for review; and
- (c) the Company requested additional information from ASX to allow the Company to comprehensively and fully advise its shareholders on this unprecedented decision but did not receive any response to those queries and accordingly the Company has had to seek clarification from its barrister,

Global Iron Limited believes it is in compliance with Listing Rule 3.1.

Yours faithfully
Global Iron Limited

Eloise von Puttkammer
Company Secretary