



ASX Announcement
9 February 2010

Global acquires African Petroleum, an oil exploration company focused on West Africa in a A\$500 million deal

Key points:

- **Global signs Share Sale Agreement (“Agreement”)** to acquire African Petroleum Corporation Limited (“APCL”), a company incorporated in the Cayman Islands,
- **On completion, APCL will have the rights to two highly prospective oil and gas exploration blocks off the coast of Liberia, West Africa, covering a total licence area of approximately 7,200km²,**
- **Independent oil and gas specialist consultant, IHS Global, has determined that the Liberian blocks have potential for combined un-risked total P50 recoverable prospective resources 1875 million barrels with a range of 945 (P90) to 3043 (P10) million barrels,**
- **The Agreement is conditional on Global completing a placement of shares to raise not less than A\$130 million and up to A\$230 million,**
- **Experienced executive team to join Global management and Board,**
- **Acquisition valued at approximately A\$500 million,**
- **Global to change its name to African Petroleum Corporation Limited on obtaining the necessary shareholder approvals.**

ASX listed Global Iron Limited (**ASX: GFE**) (“**Global**” or the “**Company**”), has entered into what it believes is a ‘company transforming’ transaction to acquire private company APCL which, on completion, will own the rights to two highly prospective oil and gas exploration blocks located in offshore Liberia, West Africa (“**Blocks 8 and 9**”) (refer Annexure A) in a deal valued at approximately A\$500 million (based on approximately 906 million shares issued at a price of A\$0.55 per share) (“**Acquisition**”).

Independent oil and gas specialist consultant, IHS Global, has carried out a Competent Persons Report and provided an assessment of the prospective resources on the blocks. The report includes the conclusion that the three Upper Cretaceous turbidite play leads on Blocks 8 and 9 have indicative combined **un-risked** P50 recoverable prospective resources of 1875 MMbbls with a range of 945 (P90) to 3043 (P10) MMbbls¹. The Competent Persons Report in its entirety reflects the independent consultants view.

APCL has already commenced 3D Seismic survey over 5000km², which is being conducted by TGS Nopec. APCL has also engaged a fully integrated geological team from Senergy (GB) Limited to support APCL in completing a full geological model for Blocks 8 and 9, which will include the interpretation of 3D seismic data and the identification and ranking of potential drill targets.

¹ MMbbls means million barrels



Under the terms of the Agreement, Global will acquire up to 100% (and no less than 95%) of APCL by issuing APCL shareholders 906,250,050 fully paid ordinary shares in the Company ("**Consideration Shares**"), subject to a number of conditions being satisfied including the successful completion of due diligence, the receipt of Global shareholder approval in relation to the Acquisition and the Company successfully completing a capital raising of at least A\$130m and up to A\$230m. The Consideration Shares will be escrowed in accordance with the ASX Listing Rules requirements (subject to any waiver obtained by the Company in relation to those requirements).

The capital raising will be undertaken by way of a placement of shares at A\$0.55 per share to raise up to A\$230 million ("**Placement**"). The Placement will also be subject to Global shareholder approval.

Following completion of the Acquisition and assuming a capital raising of A\$230 million, Global will have 1,342,556,870 shares on issue and have a market capitalisation of approximately A\$738 million (assuming a share price of A\$0.55).

On completion of the Acquisition, the Company will hold 100% of the interest and rights associated with Blocks 8 and 9. These blocks cover an area of approximately 7,200 km² off the coast of Liberia in West Africa, as shown in Annexure A. Blocks 8 and 9 were acquired from the National Oil Company of Liberia in 2004 as a part of an international bidding round. APCL and its subsidiaries have exclusive exploration authorisation over Blocks 8 and 9. In addition to Blocks 8 and 9, APCL is actively pursuing the acquisition of additional offshore licence blocks in West Africa. Applications have already been made in Sierra Leone and Liberia.

Global Executive Chairman, Mr Tony Sage said "to have entered into an agreement to acquire a company that has such highly prospective oil and gas exploration assets, together with the potential to raise up to A\$230 million to fund the advanced exploration and potential development of these assets puts the Company in an excellent position to potentially deliver significant value to shareholders".

As a part of the Acquisition, the highly experienced executive team of APCL have agreed to fulfil key management positions within Global, including overseeing the exploration and development activities at Blocks 8 and 9.

The Board and management appointments will include Mr Frank Timis as Executive Chairman, Mr Mark Ashurst as Chief Financial Officer, Mr Karl Thompson as Chief Operating Officer, Mr Gibril Bangura as Non Executive Director, Mr Alan Watling as Non Executive Director and Mr Anthony Wilson as Non Executive Director. Mr Carlos Guzman and Dr Berend Van Hoorn will remain as Technical Consultants.

Mr Tony Sage will become Deputy Chairman and Mr Timothy Turner will remain as a Non Executive Director of Global, with current Director Mr Roberto Catena to step down upon completion of the Acquisition. Please refer to Annexure B for further details of the experience of the proposed Board and management of Global.

Blocks 8 & 9 background and evaluation

Key Points

Both Blocks 8 and 9 represent attractive unexplored acreage offshore Liberia in an area that is receiving significant industry interest following the large discovery in the Jubilee Field to the East, in Ghana as well as to the West in the form of the significant Venus discovery offshore Sierra Leone.

Blocks 8 and 9 cover approximately 7,200 km² with licences extending from the shallow inner shelf to the deep offshore region, covering depths of 200-3500m.

Previous exploration drilling took place from 1970 to 1972 and 1984 to 1985 between water depths of 100m and 470m. Six of the seven wells drilled on the shelf and upper slope encountered oil shows indicating a working petroleum system.

Specialist independent oil and gas consultant, IHS Global Limited has determined:

- (i) indicative un-risked combined P50 recoverable prospective oil resources of 1875 MMbbls with a range of 945 (P90) to 3043 (P10) MMbbls are estimated in the Upper Cretaceous section; and
- (ii) in the lower Cretaceous section, there is a potential for combined un-risked total P50 recoverable prospective resources of 915 MMbbls with a range of 505 (P90) to 1405 (P10) MMbbls.

Other potential leads have also been identified in both the upper and lower Cretaceous sections.

APCL has already commenced a 5,100 km² 3D seismic survey to reinterpret and improve structural mapping while reducing risk play. APCL is actively pursuing the acquisition of additional offshore licence blocks in West Africa. Applications have already been made in Sierra Leone and Liberia.

Capital Structure

The effect on the capital structure of the Company following completion of the Acquisition is set out below.

Shares	Number
Shares currently on issue	18,125,002
Shares to be issued to the vendors of APC	906,250,050
Maximum number of Shares to be issued as part of Placement	418,181,818
Total	1,342,556,870
Options	
Unlisted options (exercisable at \$0.20, expiring 31 July 2010)	12,500,000
Maximum number of unlisted options to be issued to brokers pursuant to Placement	12,545,455

As the Acquisition is subject to shareholder approval and recompliance with Chapters 1 and 2 of the ASX Listing Rules, the Company is currently preparing a Notice of Meeting (which will include an Independent Expert's Report), scheduled to be despatched to shareholders in the coming weeks and a prospectus in respect of the proposed capital raising.

Further details of the Acquisition will be set out in the Notice of Meeting to be sent to shareholders.

Yours faithfully
Global Iron Limited

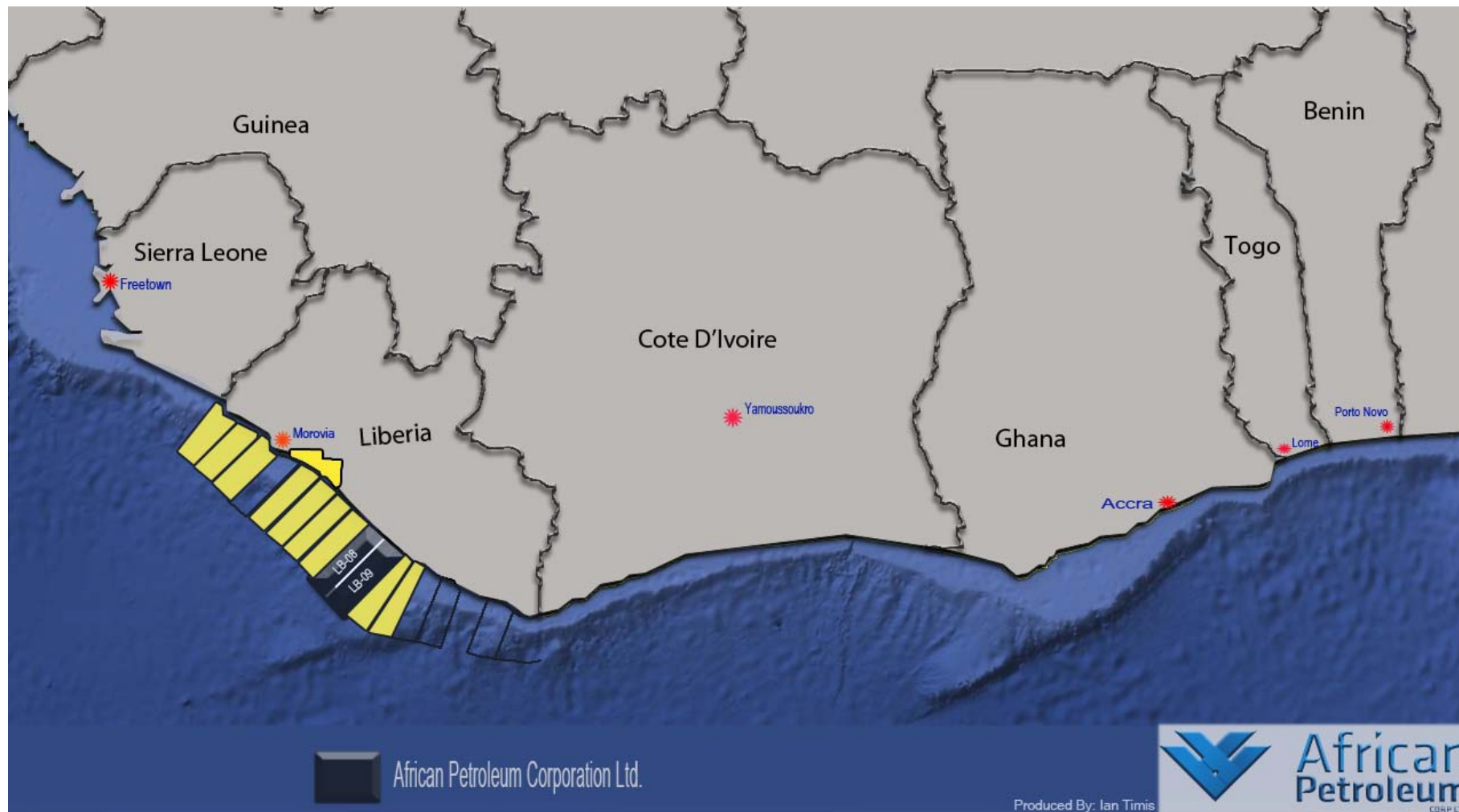
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ANNEXURE A



ANNEXURE B

Tony Sage (49)

Mr Sage has in excess of 27 years experience in the fields of corporate advisory services, funds management and capital raisings. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining companies for the last 14 years. Mr Sage is currently the Executive Chairman of ASX listed companies, International Petroleum Limited and Cape Lambert Resources Ltd, and Non-Executive Chairman of listed company, Buka Gold Limited. Mr Sage is a Non-Executive Director of listed companies, Corvette Resources Limited, Tianshan Goldfields Limited and Cauldron Energy Limited.

Timothy Turner (51)

Mr Timothy Turner is a senior partner with accounting firm Hewitt Turner & Gelevitis. Mr Turner specialises in domestic business structuring, corporate and trust tax planning and corporate secretarial. He also has in excess of 25 years experience in new ventures, capital raisings and general business consultancy.

Mr Turner has a Bachelor of Business (Accounting and Business Administration), is a Registered Company Auditor, a Fellow of CPA Australia and a Fellow of the Taxation Institute of Australia. Mr Turner is also a director of currently listed International Petroleum Limited, Cape Lambert Resources Limited and Legacy Iron Ore Limited.

Frank Timis (46)

Mr Timis is a successful resources entrepreneur. He is the chairman of Timis Corporation, a group which has interests in numerous resource companies listed in London, Australia and Toronto and assets worldwide. Mr Timis has raised approximately US\$1 billion from financial markets worldwide. Mr Timis has been the Executive Chairman of African Minerals Limited since December 2006, the AIM listed mineral exploration company with significant interest in Sierra Leone, and of Eastern Petroleum Corporation Limited, a private UK oil and gas exploration company focused on Kazakhstan. He is also the Founder and former Executive Chairman of Regal Petroleum Plc, Gabriel Resources Ltd, and European Goldfields Ltd, companies listed on AIM and/or TSX.

Mark Ashurst (51)

Mr Ashurst graduated from Sheffield University with a degree in law and is a qualified Barrister and Chartered Accountant. He is a member of the Institute of Chartered Accountants in England and Wales. Mr Ashurst has been employed as a senior investment banker with a broad range of corporate finance and broking skills gained from over 20 years in the City of London. Institutions Mr Ashurst has worked for include BZW, Hoare Govett and, more recently, Canaccord Adams. He has advised both UK and overseas listed companies and has significant expertise in IPO's, fund raising and mergers and acquisitions. Mr Ashurst is a Non-Executive Director of African Minerals Limited and is a Director of Eastern Petroleum Corporation Limited.

Karl Thompson (53)

Mr Thompson is an accomplished petroleum explorationist with 27 years of technical, operational and managerial experience in the exploration and development of

hydrocarbons with major multi national and independent energy companies. He has established a track record as a successful 'oil finder' and commercial acquisitions of new venture oil and gas assets as well as corporate takeovers. He spent 18 years with Chevron Corporation where he was Exploration and Production Director as well as Strategic Planning Manager involved in a number of successful oil discoveries and developments as well as new venture acquisitions. Following a successful career with Chevron he started his petroleum consultancy working with companies in West Africa assisting with further hydrocarbon discoveries and new venture acquisitions. He has extensive experience in Europe, Africa and Middle East working with major multi national companies and new start up AIM exploration companies as well NOC's. He holds an MSc in Geophysics from Imperial College London and BSc in Geology from University College London.

Gibril Bangura (50)

Mr Bangura is an Executive Director of African Minerals Limited and the General Manager of all of African Mineral Limited's Sierra Leone subsidiaries. He is the former Financial Controller of Regent Star International, and Deputy General Manager and director of Bond Tak Mining Company. He has an Advanced Level Certificate from the American College in Cairo, and attended Atlanta Junior College, Atlanta, Georgia as an associate of the Arts and Business Management Faculty.

Alan Watling (56)

Mr Watling has nearly 30 years of experience in the iron ore industry and has held senior positions in multinational companies with focuses on heavy haul rail, port and mine operations. Including Rio Tinto and Fortescue Metals, where he was Chief operating Officer. He is now Chief Executive Officer of African Minerals Limited.

Anthony Wilson (59)

Mr Wilson has had a long career in a number of senior financial positions. Having qualified as a Chartered Accountant, he initially became a partner in general practice before moving into the investment banking sector initially with Wedd Durlacher Mordaunt & Co, the stockjobber, and latterly with BZW, the investment banking division of Barclays. He was Finance Director for BZW Securities and BZW Asset Management over a period of 10 years. Following BZW, Mr Wilson held various senior management roles as a director for DAKS Simpson Group Plc and Panceltica Holdings Plc. He is currently a consultant of GreenGoldInvest Corp, which is involved in farming operations in Brazil. Mr Wilson is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of the Securities Institute.

Technical Consultants

Carlos Guzman (56)

Mr Guzman is an accomplished geophysicist and published author with a strong background in 2D and 3D seismic acquisition, processing and interpretation utilising proprietary and commercial software. Mr Guzman has over 30 years of experience as a prominent geophysicist, including nearly 30 years working for Shell in a variety of roles. Most recently he worked in the Shelf and Deepwater Divisions of Shell Exploration and Production, where he was instrumental in targeting two development wells and one exploration well near Shell's Mars field in the deepwater of the Gulf of Mexico. Mr

Guzman is credited for recommendations which resulted in 400mmbbl deepwater discoveries.

Dr Berend Van Hoorn (65)

Dr Van Hoorn is a highly experienced geologist with an impressive history of employment with Shell worldwide spanning a period of over 30 years. These positions include Chief Geologist, Shell Offshore (Deepwater) in New Orleans; Head of Global Geology for Shell International Petroleum in the Netherlands; and Head of Regional Geology for Shell UK in London. Dr Van Hoorn has been a Consulting Geologist for the past seven years which has included the development of deepwater and new exploration plays worldwide while maintaining a continued involvement with Shell. Dr Van Hoorn holds a Masters Degree in Geology and a Ph.D in Earth & Natural Sciences (Geology) both from Leiden University in the Netherlands.