



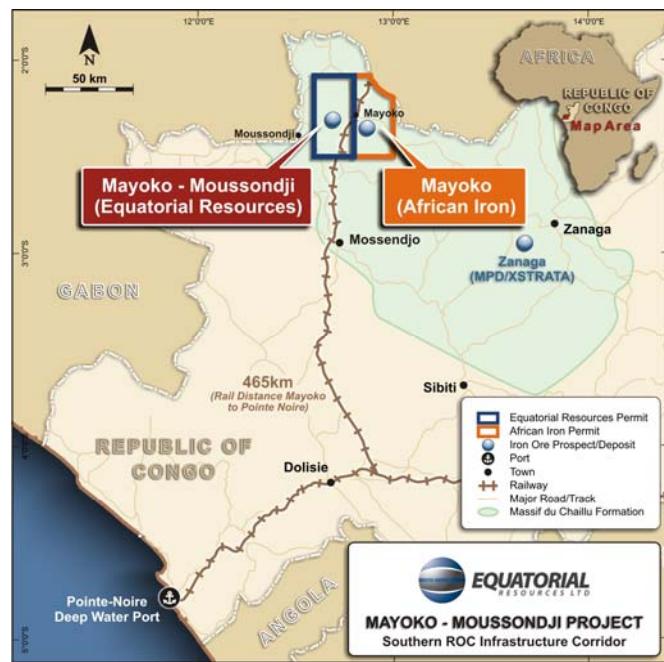
ASX: EQX | 30 June 2011 | **ASX RELEASE**

EQUATORIAL ACQUIRES 19.9% INTEREST IN AFRICAN IRON LIMITED

Equatorial Resources Limited ("Equatorial" or "the Company") is pleased to advise that it has acquired 19.9% of the ordinary share capital of African Iron Limited (ASX: AKI) ("African Iron") through the purchase of 95.4 million ordinary AKI shares. The Company purchased 13.9 million shares on market for a total cash consideration of \$3.4 million and 81.5 million shares have been purchased off market for consideration in the form of 11.4 million shares in Equatorial at the rate of one share in Equatorial for every 7.16 shares in African Iron. The Equatorial shares to be paid as consideration will be issued subject to shareholder approval which will be sought without delay.

African Iron is the holder of an 80% interest in the Mayoko-Lekoumou Iron Project which lies adjacent to Equatorial's 100% owned Mayoko-Moussondji Iron Project in the Republic of Congo. The two projects are intersected by a bulk haulage railway line that leads directly to the deep water port of Pointe-Noire.

Mr John Welborn, Managing Director and CEO of Equatorial, said "We are very pleased to have acquired this strategic stake in African Iron Limited. In the longer term we see a number of positive synergies between our two iron projects afforded by their close proximity and their strategic access to operational transport infrastructure. It is not our current intention to make a takeover bid for African Iron as we continue to focus on adding value to our 100% owned Mayoko-Moussondji and Badondo Iron Projects. We will continue to cooperate with African Iron on a number of positive operational initiatives at Mayoko and within the Republic of Congo as we become major players in the development of this globally significant iron ore province."



ABOUT EQUATORIAL RESOURCES

Equatorial Resources Limited (ASX:EQX), is focused on the exploration and development of two 100% owned large-scale iron ore projects located in the politically stable and investment friendly Republic of Congo ("ROC") in the emerging global iron ore province of Central West Africa.

The **Mayoko-Moussondji Iron Project**, located in the southwest region of the ROC, has an estimated global exploration target of between 2.3 and 3.9 billion tonnes¹ of iron mineralisation at a grade of 30% to 65% Fe. The project has access to a rail line running directly to the deep-water port of Pointe-Noire, where the Company's operational office is located.

The **Badondo Iron Project**, in the northwest region of ROC, has an estimated global exploration target of between 1.3 and 2.2 billion tonnes¹ of iron mineralisation at a grade of 30% to 65% Fe. The project is located within a regional cluster of world-class iron ore exploration projects including Sundance Resources' Mbalam and Nabeba projects.

For all enquiries please contact:

John Welborn

Managing Director and CEO
 Equatorial Resources Limited
 Level 9, BGC Centre, 28 The Esplanade, Perth WA 6000
T: +61 8 9322 6322
E: info@equatorialresources.com.au
W: www.equatorialresources.com.au

¹ *Exploration Target: The estimates of exploration target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource in accordance with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.*

The information in this announcement that relates to Geophysical Exploration Results is based on information compiled by Mr Mathew Cooper (B.App.Sc (Geophysics) Hons.) of Resource Potentials Pty Ltd, who was engaged by Equatorial Resources Limited to provide geophysical consulting services. Mr Cooper is a member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results, other than Geophysical Exploration Results, is based on information compiled by Mr Sean Halpin, who is a member of the Australian Institute of Geoscientists. Mr Halpin is a full time employee of Equatorial Resources Limited. Mr Halpin has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Halpin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.