



8 September 2011

ATLAS DECLARES FERRAUS TAKEOVER OFFER UNCONDITIONAL AND CONFIRMS ACCELERATED PAYMENT TERMS

Highlights

- Atlas declares FerrAus recommended takeover offer wholly unconditional
- Atlas confirms it will deliver accelerated payment terms of 3 business days on receipt of valid acceptance
- The Offer is currently scheduled to close on Wednesday, 5 October 2011
- Atlas has a relevant interest in 60.48% of FerrAus as at 5.00pm AWST on 7 September 2011
- The Offer is unanimously recommended by the FerrAus Board (in the absence of a superior proposal)

Atlas Iron Limited ("Atlas") [ASX: AGO] has today declared its recommended off-market takeover offer ("Recommended Offer") for all of the fully paid ordinary shares in FerrAus Limited ("FerrAus") [ASX: FRS] free of all defeating conditions.

Additionally, Atlas confirms that FerrAus Shareholders who validly accepted the Recommended Offer before it was declared unconditional will be issued their consideration within 3 business days of today's date (13 September 2011). FerrAus Shareholders who now validly accept the Recommended Offer will be issued with their Atlas Shares within 3 business days of their acceptance being processed.

On Thursday, 25 August 2011, Atlas announced its maiden unfranked dividend of \$0.03 per Atlas Share with a record date of 26 September 2011. You will be entitled to receive the Atlas dividend if, prior to the close of trading on Wednesday, 21 September 2011, you have validly accepted the Offer.

If Atlas comes to hold relevant interests in 90% or more in FerrAus, it intends to proceed with compulsory acquisition of any outstanding FerrAus Shares under Part 6A of the Corporations Act. FerrAus Shareholders who have their FerrAus Shares acquired compulsorily will NOT be eligible for accelerated payment terms. FerrAus Directors have unanimously recommended all FerrAus shareholders accept Atlas' Recommended Offer without delay, in the absence of a superior proposal.

Attached pursuant to section 650F(3)(a) of the Corporations Act, is the notice declaring that the Recommended Offer has been freed from all defeating conditions.

As at 5.00pm (AWST) 7 September 2011, Atlas had a relevant interest in 60.48% of FerrAus' Shares.

Atlas reminds FerrAus Shareholders that the Recommended Offer is currently **scheduled to close on 5.00pm (AWST) Wednesday, 5 October 2011**. Atlas urges all FerrAus Shareholders who have not yet accepted the Offer to **ACCEPT WITHOUT DELAY** and take advantage of the accelerated payment terms to become an Atlas Shareholder.

Mr. David Flanagan, Managing Director of Atlas commented:

"We are very pleased to have achieved this level of support for our Offer from shareholders of FerrAus only two days after the Offer has opened and we are looking forward to welcoming all FerrAus shareholders as new shareholders of Atlas, a rapidly growing, independent iron ore producer.

This is a very exciting time for Atlas following the recent announcement of our maiden annual profit and dividend, which we believe is only just the beginning in the building of a significant Australian mining company."

Atlas Iron Limited ABN 63 110 396 168



In accordance with the Bid Implementation Agreement, Atlas will now proceed to nominate candidates to the FerrAus Board such that following their appointment, Atlas nominee directors will represent the majority of the FerrAus Board.

Further enquiries please contact

David Flanagan, Managing Director

Tel: +618 9476 7900

Mark Hancock, Chief Commercial Officer

Atlas Shareholder Information Line (open between 6.30am and 5.30pm (AWST), Monday to Friday) on:

For Australian callers: Toll Free - 1800 810 827

For International callers: +61 2 8280 7122

Atlas Iron Limited ABN 63 110 396 168

Level 9 Alluvion,
58 Mounts Bay Road Perth WA 6000

PO Box 7071
Cloisters Square Perth WA 6850

P: +61(0) 8 9476 7900
F: +61(0) 8 9476 7988

E: atlas@atlasiron.com.au
W: www.atlasiron.com.au

**NOTICE UNDER SECTION 650F
OF THE CORPORATIONS ACT 2001 (Cth)**

TO: ASX Limited

FerrAus Limited ACN 097 422 529 (**FerrAus**)


BY THIS NOTICE, Atlas Iron Limited ACN 110 396 168 (**Atlas**) **DECLARES** the offers dated 5 September 2011 made by it under an off-market takeover bid for the fully paid ordinary shares in FerrAus (**Offers**) and the contracts (if any) formed by the acceptance of any of those Offers free from the conditions set out in section 10.12 of the bidder's statement dated 5 September 2011 issued by Atlas (**Conditions**).

The Offers are now free of the Conditions.

Atlas' voting power in FerrAus at the time of giving this notice is 60.48%.

DATED 8 September 2011

**ON BEHALF OF
ATLAS IRON LIMITED**

A handwritten signature in black ink that reads "Anthony Walsh". The signature is written in a cursive style with a large, looped initial 'A'.

Tony Walsh

Company Secretary

Atlas Iron Limited