

By eLodgement

5 July 2011

Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir

Wah Nam International Holdings Limited (WNI)
Wah Nam International Australia Pty Ltd - Off-market takeover bid for FerrAus Limited (FRS)

We act for Wah Nam International Australia Pty Ltd ACN 134 696 727 (**Wah Nam Australia**) in relation to its off-market takeover bid for all of the ordinary shares in FerrAus Limited ACN 097 422 529.

Pursuant to section 630(3) of the Corporations Act 2001 (Cth), on behalf of Wah Nam Australia, we attach a Notice of the Status of Defeating Conditions dated 5 July 2011.

Yours faithfully



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Attachment

WAH NAM INTERNATIONAL AUSTRALIA PTY LTD
ACN 134 696 727

NOTICE OF THE STATUS OF DEFEATING CONDITIONS
UNDER SECTION 630(3) OF THE CORPORATIONS ACT 2001 (CTH)

To: FerrAus Limited ACN 097 422 529 (FerrAus)
ASX Limited ACN 008 624 691

This notice is given in respect of the offer (**Offer**) made by Wah Nam International Australia Pty Ltd ACN 134 696 727 (**Wah Nam Australia**) in the replacement bidder's statement dated 6 December 2010 (**Bidder's Statement**) to acquire all of the ordinary shares in FerrAus.

Wah Nam Australia hereby gives notice, pursuant to section 630(3) of the Corporations Act 2001 (Cth), that as at the date of this notice:

1. Wah Nam Australia has not declared the Offer free from the conditions set out in section 13.9 of the Bidder's Statement;
2. the Offer is free from the conditions set out in section 13.9(a) and sections 13.15(i), (ii) and (iii) (in respect of permission for admission to quotation of all Wah Nam International Shares on the ASX) of the Bidder's Statement;
3. the conditions set out in sections 13.9(b) and 13.9(e) of the Bidder's Statement have been breached, and therefore cannot be fulfilled;
4. the conditions set out in sections 13.9(c) and 13.15(iii) (in respect of permission for admission to quotation of the Consideration Shares on the HKEx) of the Bidder's Statement have not been fulfilled and, accordingly, the Offer remains subject to those conditions; and
5. so far as Wah Nam Australia knows, the conditions set out in sections 13.9(d), and 13.9(f) to 13.9(l) (inclusive) of the Bidder's Statement have not been fulfilled. As at the date of this notice, Wah Nam Australia is not aware of any circumstances that would prevent these conditions from being fulfilled at the end of the Offer Period.

As previously advised in its announcement dated 28 June 2011, Wah Nam Australia intends to rely on the breach of the conditions set out in sections 13.9(b) and 13.9(e) of the Bidder's Statement in respect of FerrAus' announced:

- issue to Atlas Iron Limited (**Atlas**), 37,439,785 FerrAus Shares in exchange for \$24.3 million pursuant to a subscription agreement; and
- purchase of the South East Pilbara iron ore assets from Atlas in consideration for 121,846,154 FerrAus Shares pursuant to an asset purchase agreement,

to defeat the Offer.

Accordingly, the Offer will lapse at 4:00pm (WST), 15 July 2011 when all acceptances or the contracts resulting from acceptances of the Offer will become void.

As at the date of this notice, Wah Nam Australia's voting power in FerrAus is 18.45% (comprising 46,062,625 FerrAus Shares out of a total of 249,598,565 FerrAus Shares currently on issue). Upon the lapse of the Offer and the acceptances or contracts resulting from the acceptances of the Offer becoming void, Wah Nam Australia's voting power in FerrAus will be 16.40%.

Unless the context requires otherwise, defined terms in this notice have the same meaning as in the Bidder's Statement.

This notice is dated 5 July 2011.

Signed on behalf of Wah Nam International Australia Pty Ltd pursuant to a resolution passed by its directors.

A handwritten signature in blue ink, consisting of a large, stylized 'M' followed by a horizontal line that ends in a small upward tick.

Mark Paganin
By Power of Attorney dated 31 January 2011
Wah Nam International Australia Pty Ltd