

Settlement of IOH & Rio Tinto transaction

Iron Ore Holdings Ltd (**IOH**) is pleased to advise that settlement of the Koodaideri South tenement transaction occurred on 7 October and that the cash consideration of \$32 million has been received from Hamersley Iron Pty Ltd, a wholly owned subsidiary of the Rio Tinto group (**Rio Tinto**).

On 27 September 2011, IOH announced the execution of a sale agreement for its Koodaideri South tenement package in the Pilbara region of Western Australia, with Rio Tinto for \$32 million cash plus a 2% FOB royalty on ore mined from the tenements.

The transaction followed a 12-week strategic review of the Company's Central Satellite deposits during which IOH considered the value creation options, including self-development, joint venture structures or divestment.

Discussions continue with interested parties regarding commercialisation of the remaining Central Satellite tenements.

IOH is supported during the Central Satellite review process by PCF Capital Group (commercial advisor) and Gilbert + Tobin (legal advisor).

For more information regarding Iron Ore Holdings Ltd please contact:

Alwyn Vorster
Managing Director

T: +61 (0)8 9483 2000

E: info@ironoreholdings.com

W: www.ironoreholdings.com

About Iron Ore Holdings

Iron Ore Holdings Ltd (ASX: IOH) owns and manages a portfolio of iron ore tenements and projects within its Central, Western and Coastal hubs in the Pilbara region of Western Australia. The Company's projects are all strategically located within close proximity to existing and planned infrastructure. IOH has a stable share register and highly experienced Board and senior management team.

Ordinary Shares on Issue: 166,087,005

Cash at 30 June 2011: \$42 million