



Company Announcements Office
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth, WA 6000

6 October 2011

**Atlas Iron Limited (Atlas, ASX: AGO) –
off-market takeover bid for FerrAus Limited (FerrAus, ASX: FRS)**

Dear Sir/Madam

We refer to Atlas' recommended off-market takeover offer for all of the outstanding ordinary shares in FerrAus (**Offer**).

The Offer closed at 5.00pm AWST on Wednesday, 5 October 2011. As at the close of the Offer, Atlas had a relevant interest in 97.73% of the ordinary shares in FerrAus. Atlas is therefore entitled to proceed with compulsory acquisition of the remaining ordinary shares in FerrAus pursuant to section 661A of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Accordingly, we enclose a copy of ASIC form 6021 (Notice of compulsory acquisition following takeover bid) (**Compulsory Acquisition Notice**) and the accompanying covering letter (**Letter**) to be sent to remaining FerrAus shareholders in accordance with section 661B(1)(d) of the Corporations Act.

The Compulsory Acquisition Notice was lodged with the Australian Securities and Investments Commission today in accordance with section 661B(1)(b) of the Corporations Act. The Compulsory Acquisition Notice and the Letter will be sent to remaining FerrAus shareholders today.

Yours faithfully

On behalf of

ATLAS IRON LIMITED

Tony Walsh
Company Secretary



000001 000 FRS
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

6 October 2011

Dear FerrAus Shareholder,

As you are aware, on 27 June 2011 FerrAus Limited (**FerrAus**) and Atlas Iron Limited (**Atlas**) announced a recommended off-market takeover offer by Atlas for all of the outstanding shares in FerrAus (**Offer**). The terms of the Offer are contained in the Atlas bidder's statement dated 5 September 2011 (**Bidder's Statement**). Capitalised terms used in this letter have the same meaning as in the Bidder's Statement unless otherwise defined.

The Offer closed at 5:00pm AWST on 5 October 2011. Our records indicate that Atlas has not received a valid acceptance of the Offer from you.

As Atlas has acquired a relevant interest in more than 90% of the FerrAus Shares on issue, Atlas proposes to acquire your FerrAus Shares under the compulsory acquisition provisions of the *Corporations Act 2001* (Cth) (**Corporations Act**).

We **enclose** an ASIC Form 6021 (Notice of compulsory acquisition following takeover bid) which Atlas is required to give you under section 661B(1)(c)(ii) of the Corporations Act to exercise its right to compulsorily acquire outstanding FerrAus Shares. **Please read this form carefully.**

The compulsory acquisition will be on the same terms that applied to the acquisition of FerrAus Shares pursuant to the Offer. This means that you will receive 1 Atlas Share for every 4 FerrAus Shares you hold (unless you are an Ineligible Foreign Shareholder).

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Atlas Shares as consideration. Instead, the Atlas Shares that you would have received will be sold by a nominee approved by ASIC and you will receive the net proceeds of this sale. For further information on the treatment of Ineligible Foreign Shareholders, please see section 10.22 of the Bidder's Statement.

If your FerrAus Shares are compulsorily acquired, you will receive the consideration for your FerrAus Shares upon completion of the compulsory acquisition process. The compulsory acquisition process, which is subject to the Corporations Act, is likely to take approximately 4 to 6 weeks but may take longer in some circumstances.

If you have any questions regarding the compulsory acquisition of your FerrAus Shares, please call our offer information line on Toll Free - 1800 810 827 (within Australia) or +61 2 8280 7122 (international) between 6.30am and 5.30pm (AWST), Monday to Friday.

**On behalf of
ATLAS IRON LIMITED**

Tony Walsh
Company Secretary

Atlas Iron Limited ABN 63 110 396 168



Notice of compulsory acquisition following takeover bid

If there is insufficient space in any section of the form, you may attach an annexure and submit as part of this lodgement

Lodgement details

Who should ASIC contact if there is a query about this form?

Name

Murray Wheeler

ASIC registered agent number (if applicable)

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Company/entity name

Blake Dawson

ACN/ABN/ARBN/ARSN

Telephone number

(02) 9258 6000

Postal address

Level 36, Grosvenor Place

225 George Street, Sydney NSW 2000

Email address (optional)

murray.wheater@blakedawson.com

Notice

Name and address of holder.

To:

Name

The person whose name and address details are set out in the accompanying letter

ACN (if applicable)

At the office of, C/- (if applicable)

Office, unit, level

Street number and Street name

Suburb/City

State/Territory

Postcode

Country (if not Australia)

Name of target company or body

Securities of:

Name ('the Company')

FerrAus Limited (FerrAus)

ACN

097 422 529

Continued... Notice

Tick one box

1. Under an
- Off Market Bid
 Market Bid

Name of bidder.

offers were made by

Atlas Iron Limited ACN (110 396 168) (Atlas)

Insert description of class of securities to which the bid related

in respect of the acquisition of

FerrAus ordinary shares

In the Company.

Tick one box

The offers

- closed
 are scheduled to close

Insert date offers closed or are scheduled to close

on

Date

0 5 / 1 0 / 1 1
[D D] [M M] [Y Y]

2. You are, or are entitled to be, registered as the holder of securities in respect of which an offer was made, but have not accepted the takeover offer.
3. The bidder hereby gives you notice under subsection 661B(1) of the Corporations Act 2001 ("the Act") that the bidder has become entitled pursuant to subsection 661A(1) of the Act to compulsorily acquire your securities and desires to acquire those securities.
4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.
5. This paragraph 5 has been intentionally deleted as it is not applicable.
6. Under section 661E of the Act, you have the right, within one month after being given this notice or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, to apply to the Court for an order that the securities not be compulsorily acquired.
7. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before
- this notice was given.
 the end of the offer period.
8. Unless on application made by you under section 661E within one month after being given this notice (as referred to in paragraph 6 of the notice) or within 14 days after being given a statement under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, the Court otherwise orders, the bidder must comply with paragraph 7 of this notice.

Tick one box

Signature

Name of person signing

Tony Walsh

Capacity

Company Secretary

Signature

Anthony Walsh

Date signed

0 6 / 1 0 1 1

[D D] [M M] [Y Y]

Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission,
PO Box 9827 in your capital city.

Or lodge the form in person at an ASIC Service Centre
(see www.asic.gov.au/servicecentres)

For more information

Web www.asic.gov.au

Need help? www.asic.gov.au/question

Telephone 1300 300 630

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