

Monday 24 January 2011

Not for release or distribution in the United States

SHAREHOLDERS APPROVE CAPITAL RAISING OF UP TO A\$35 MILLION

An Extraordinary General Meeting of shareholders in FerrAus Limited (*FerrAus*) today approved a resolution to allow a proposed capital raising of up to A\$35 million (*Capital Raising*).

Shareholder approval was required under ASX Listing Rule 7.9 given the current takeover offer for FerrAus announced by Wah Nam International Holdings Limited (*Wah Nam*) on 10 November 2010, and also, under ASX Listing Rule 7.1, so that the issue of shares would not count for the purposes of the restriction on issuing more than 15 per cent of the Company's issued capital in any 12 month period.

FerrAus Chairman John Nyvlt said the proposed Capital Raising received strong support from shareholders with a significant proportion of shares voted and approximately 70% of the shares voted being in favour.

"Today's vote represents a broad shareholder endorsement of our corporate strategy of accelerating the development of our Pilbara Project to take maximum advantage of the favourable outlook for iron ore.

"Once successful, the proposed Capital Raising will ensure FerrAus is better funded to continue to progress its Pilbara iron ore development and deliver value to its shareholders as key milestones are met and the project is de-risked," Mr Nyvlt said.

FerrAus intends to raise up to A\$35 million which, together with the existing cash on hand of approximately \$16 million as at 31 December 2010, will be used to fund the Definitive Feasibility Study of the Company's Pilbara Project, ongoing working capital, overhead requirements and exploration costs.

In keeping with its previous capital raisings, several of which have been completed at a premium, FerrAus will seek to maximise the pricing of the raising and minimise dilution of existing shareholders. FerrAus will update the market in due course in relation to the timing and terms of the Capital Raising.

FerrAus has retained Macquarie Capital Advisers Limited as Lead Manager to the Capital Raising. It is anticipated that the Capital Raising will be underwritten.

Also at today's EGM, FerrAus Shareholders approved the grant of Options to the nominee of recently appointed Executive Director Mr Bryan Oliver.

*** ENDS ***

For any enquiries please contact: **Martin Debelle** +61 (02) 9290 3023

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.

MEDIA ENQUIRIES - *Martin Debelle*+61 (02) 9290 3023

Suite 10, 100 Mill Point Road South Perth WA 6151 PO BOX 995 South Perth WA 6951
T: +61 (0) 8 9474 3770 F: + 61 (0) 8 9474 3700 E: info@ferraus.com W: ferraus.com.au

ABN 86 097 422 529