

Monday 29 August 2011

FERRAUS – ATLAS TAKEOVER UPDATE

On 27 June 2011, Atlas Iron Limited (**Atlas**) announced its intention to make a Takeover Offer for FerrAus Limited (**FerrAus**). The Takeover Offer is set to open on Monday, 5 September 2011.

Following successful completion of the Subscription and Iron Ore Asset Acquisition, Atlas now holds a 39.0% interest in FerrAus.

Each FerrAus Director continues to recommend that FerrAus Shareholders **ACCEPT** the Takeover Offer and each FerrAus Director intends to **ACCEPT** the Takeover Offer with respect to all FerrAus shares held by them or in which they have a relevant interest, in the absence of a superior offer and subject to the opinion of an Independent Expert in relation to the Takeover Offer.

In addition, major FerrAus Shareholder, China Railway Materials (**CRM**) has provided FerrAus with a letter indicating that it intends to **ACCEPT** the Takeover Offer as soon as practicable upon the Takeover Offer opening, in the absence of a superior proposal. Following receipt of acceptances from CRM and the existing FerrAus Directors, Atlas' relevant interest in FerrAus would increase to 52.2%.

Atlas has previously publicly undertaken to declare the Takeover Offer unconditional upon achieving a relevant interest in FerrAus of 50.1%.