

10 December 2010

FERRAUS RESPONDS TO MEDIA ARTICLE

FerrAus Limited announces the report in today's The West Australian page 55 headed "FerrAus resumes Fels push as BHP talks fail" is incorrect in a number of respects. FerrAus' lawyers have been in negotiations with BHPB Iron Ore to finalise the terms of a confidentiality agreement. These negotiations are ongoing and once completed will enable negotiations for a rail haulage agreement to be finalised

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Detailed information about FerrAus Limited can be found on the company's website www.ferraus.com.