



15 December 2009

**CHINA RAILWAY MATERIALS CORPORATION  
COMPLETION OF SHARE PLACEMENT**

The Board of FerrAus Limited (ASX: FRS) (**FerrAus**) is pleased to announce that FerrAus today completed the placement of 22,940,664 ordinary shares, representing 12% of FerrAus' fully diluted share capital, to Union Park Company Limited (**UPC**), a wholly owned subsidiary of China Railway Materials Commercial Corporation (**CRM**).

The shares were issued and allotted at A\$0.55 each, for a total investment of A\$12,617,365.20 and will be subject to a 12 month escrow period.

The placement of shares to UPC is part of a strategic iron ore focused cooperation between FerrAus and CRM. As part of the transaction, UPC's nominee, Mr Guoping Liu, has been appointed to the FerrAus Board. Mr Liu is also the Vice President of CRM and Chairman to the Board of UPC. FerrAus welcomes Mr Liu to the Board and considers that his expertise will be of great assistance in the next phase of the company's development.

Mr David Turvey will retire from the Board following appointment of Mr Liu. FerrAus thanks Mr Turvey for his significant contribution to FerrAus, both as Managing Director from 7 December 2005 to 30 May 2009, and since 1 June 2009, as non-executive Director.

Yours sincerely,

A handwritten signature in black ink, reading "Donald Stephens". The signature is written in a cursive, flowing style.

**Donald Stephens**  
**Company Secretary**