

EAST PILBARA IRON ORE PROJECTS

ASX Announcement

24 June 2009

Current Capital
Structure:

151.6m Fully paid
ordinary shares
7.5m Class B Securities
8.4m Unlisted options

Market Capitalisation:
(fully diluted)
\$ 75m @ 45c per share

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FERRAUS TO RESTART IRON ORE EXPLORATION

DAVIDSON CREEK PROJECT 4,500m RC DRILLING PROGRAM

- 1. Mapping and geological modelling identifies Marra Mamba and Brockman iron ore targets at Davidson Creek Project.**
- 2. Iron ore exploration drilling to commence early July**
- 3. Resource size and quality is a key parameter in a broader strategy of industry consolidation in the Eastern Pilbara**

FerrAus Ltd's (FRS) has an objective to promote the consolidation of the junior iron ore sector in the Eastern Pilbara. FRS views its significant resource base, currently 166.6 Mt of DSO iron ore (refer FRS:ASX announcement June 3, 2009), as an important factor in any industry consolidation process.

FRS is restarting regional exploration to evaluate targets to continue to build its robust resource inventory. A large, quality and well defined resource is needed to provide the critical mass to support investment in rail and port infrastructure to commercialise any development in the region. The iron ore resources in the FRS owned tenements (Figure 1) are currently the largest of the junior iron ore sector in the Eastern Pilbara.

Drilling to test targets identified is expected to commence in early July 2009. Approximately 4,500 metres of RC reconnaissance drilling is planned. Priority drill target areas include Mirrin Mirrin Prospect and a new prospective zone containing 3 key targets north of FerrAus's latest discovery, Tiger Resource (Figure 2).

Davidson Creek Project area's recently completed comprehensive mapping program has provided a solid knowledge base to support new exploration initiatives. Information collected from the mapping program combined with data from recent (2008) drilling, ground gravity and aerial magnetic surveys, and GSWA regional mapping, has been used to develop a new geological model. The resulting model has identified exploration targets in both the Marra Mamba and Brockman Iron Formations.

Field assessment of these newly generated targets has commenced with rock chip sampling and detailed ground geological mapping. Samples will be initially analyzed in the field utilizing a newly purchased, hand-held Niton XRF machine. Results of this program will be used to fine tune the selection of specific drill hole locations.

Figure 1: FerrAus Ltd's Pilbara Iron Ore Project Areas

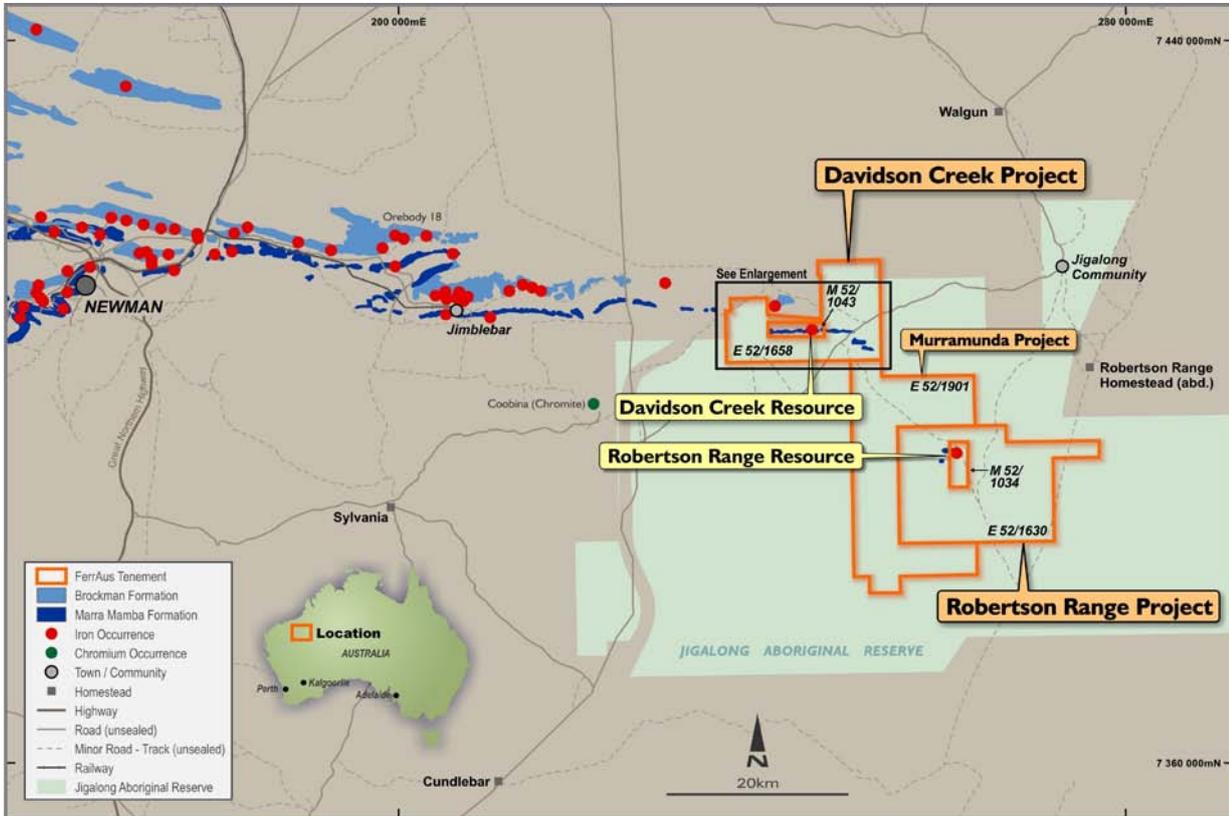
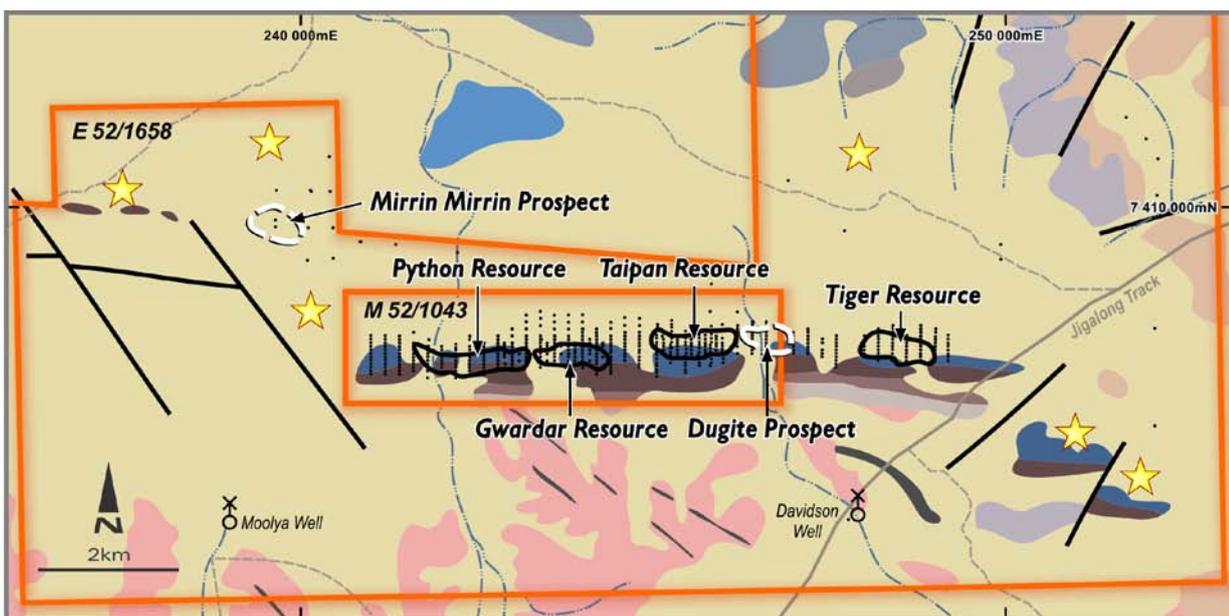


Figure 2: FerrAus Ltd's Davidson Creek Project Target Locations



Outcrop Geology by GSWA 1989

