

Marra Mamba Trend Continues

Key Points

Latest results of reconnaissance drilling at Davidson Creek:

- **Additional three kilometres of prospective Marra Mamba formation – total new target area is more than six kilometres**
- **Discovery of new iron ore anomaly outside known Marra Mamba stratigraphy**

FerrAus Limited (ASX: FRS) announced today that recent reconnaissance drilling at its Davidson Creek Project had identified an additional six kilometres strike length of the prospective Marra Mamba Formation stratigraphy.

The newly identified three strike kilometres are located south east of Tiger Resource and the other, previously announced, three strike kilometres are located at the Mirrin Mirrin Prospect.

FerrAus Limited's Managing Director, Mike Amundsen, said; "The results are very encouraging and underpin the upside potential of the FerrAus tenements and our goal of reaching 230 million tonnes of JORC resources by mid 2010.

"Identifying the additional six kilometre strike length of Marra Mamba Formation stratigraphy at Davidson Creek Project is a great achievement from the recent reconnaissance drilling program.

"It was also exciting to discover a new intersection of anomalous iron formation when we undertook further drilling to the north of the Tiger Resource, designed to target buried Brockman Formation," he said.

Since recommencing its drilling program in July the company has completed a total of more than 12,500 metres of drilling and plans to complete another 11,000 metres by mid December.

In addition to testing further conceptual targets, FerrAus plans to conduct infill drilling by December to confirm and increase the company's resource inventory.

*** ENDS ***

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Appendices:

- Appendix 1: Technical Summary
- Appendix 2: Davidson Creek Project Interpreted Geology
- Appendix 3: Mirrin Mirrin Prospect - Cross Section

Appendix 1: Technical Summary:

Marra Mamba Stratigraphy has been drill defined extending to the west and also to the south east of mineralised Marra Mamba Mount Newman Member in the central portion of the Davidson Creek Tenement EL52/1658

Three strike kilometres of Marra Mamba Formation have been defined at the Mirrin Mirrin Prospect on the western side of the Davidson Creek tenement and this includes a significant intersection of mineralised Mt Newman Member (refer Appendix 3). Follow up drilling of this area is now underway.

Extending to the south east from the Tiger Prospect, Marra Mamba stratigraphy is structurally offset. There is approximately three strike kilometers of lower Marra Mamba units comprising Nammuldi and McLeod Members, which dip north (refer Appendix 2). This wide spaced reconnaissance drilling stepped across the target Newman Member, having instead intersected Wittenoom Formation rocks. Follow up drilling of this newly named "Bandy Bandy Prospect" is scheduled to commence in December.

Reconnaissance drilling north of Tiger Resource intersected stratigraphy overlying Brockman formation, including Weeli Wolli Formation and interpreted elements of the Yandicoogina Shale. Importantly this provides more information about the complex geology of the area. Anomalous iron mineralisation was intersected in one drill hole.- DCRC0564 with 16m @ 47.6 per cent Fe including 2m @ 54.5 per cent Fe, from a depth of 28m. More drilling is planned.

On a prospect by prospect basis, reconnaissance drilling completed includes:

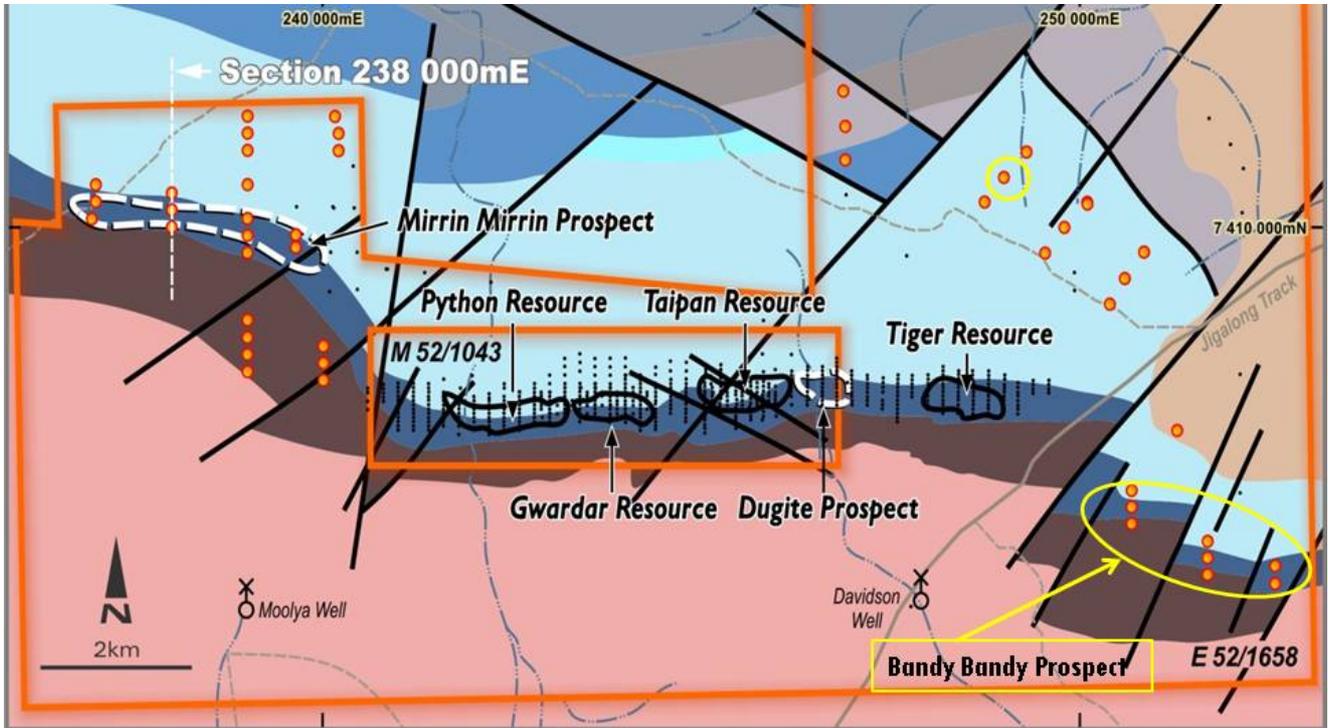
- Mirrin Mirrin Prospect, 25 holes were drilled for 2,373 metres,
- South East Marra Mamba Trend, 9 holes for 996 metres,
- Brockman Targets, 12 holes for 1,644 metres were drilled.

In total, 46 holes for 5,013 metres of RC drilling were completed.

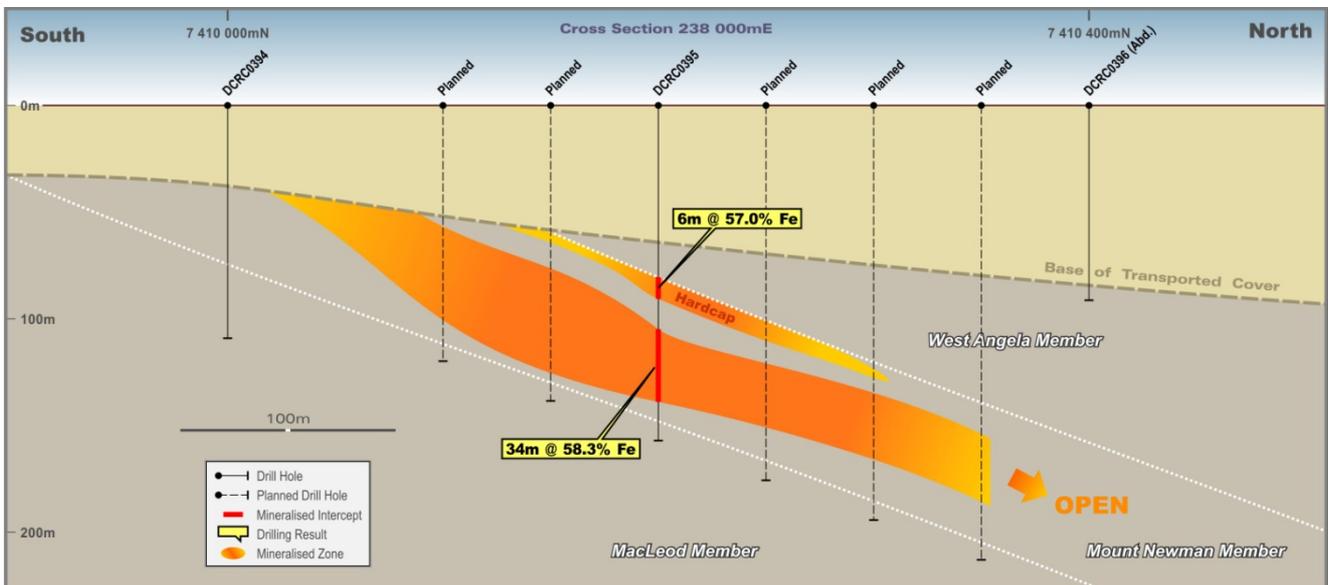
Of the company's total reported iron ore resource, which stands at 166.6 million tonnes, the Davidson Creek Project* holds 114.4 million tonnes (23 million tonnes - Indicated, 91.4 million tonnes - Inferred) and the Robertson Range Project* accounts for the remaining 52.3 million tonnes (23.8 million tonnes - Measured, 20.2 million tonnes - Indicated, 8.2 million tonnes - Inferred).

* Resource estimates are in accordance with AusIMM JORC Code 2004 reported in ASX announcements 17/4/ 2009 and 3/6/2009

Appendix 2: Davidson Creek Project interpreted geology, with recon drilling locations



Appendix 3: Mirrin Mirrin Prospect – Cross Section 238,000mE, Results and Planned Drilling



Competent Person Statement

Geological interpretation, exploration results, and mineral resource information contained in this report to which this statement is attached is based on information compiled by Mr Peter Brookes who is member of the Australian Institute of Geoscientists (AIG) and who is a full time employee of FerrAus Ltd. Peter Brookes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves". Mr Brookes consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Forward Looking and Exploration Target Statements

This release may include forward-looking statements that are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of FerrAus Limited, that could cause actual results to differ materially from such statements. Forward looking statements include, but are not limited to, statements concerning the Company's exploration program, outlook, target sizes, resource and mineralised material estimates. They include statements preceded by words such as "potential", "target", "scheduled", "planned", "estimate", "possible", "future", "prospective", and similar expressions. The term "Direct Shipping Ore (DSO)", "Target", and "Exploration Target", where used in this announcement, should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Also, FerrAus Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release