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\$35 MILLION CAPITAL RAISING BOOKBUILD SUCCESSFULLY COMPLETED

FerrAus Limited (FerrAus) has successfully completed the bookbuild for its A\$35 million placement (Offer) as approved by shareholders at the Extraordinary General Meeting held in Perth on 24 January 2011.

FerrAus received significant interest in the Offer from a range of domestic and international institutional and sophisticated investors which resulted in the Offer being multiple times oversubscribed.

The Offer is due to settle on Thursday 3 February 2011, following which FerrAus will issue 40.7 million ordinary shares at a price of A\$0.86 per share, which represents a discount of 8.5 per cent to the last closing price of \$0.94.

Chairman, John Nyvlt, commented that the strong shareholder support for the capital raising at the shareholder meeting is an impressive endorsement of the ongoing development of the Pilbara Project.

“This successful and timely placement, demonstrates that institutional investors recognise the underlying value, quality and potential of the Project,” he said.

“The Offer has attracted a range of new domestic and institutional shareholders which has allowed FerrAus to improve the depth, quality and liquidity of the FerrAus share register.

“These funds will allow the team to continue to de-risk the Project and unlock the significant inherent value, particularly in the context of the strong demand outlook for iron ore,” Mr Nyvlt said.

The net proceeds from the placement, together with the existing available cash balance of A\$16 million (unaudited as at 31 December 2010), will be used to fund the recently approved Definitive Feasibility Study, overhead and working capital requirements and ongoing exploration costs.

Macquarie Capital Advisers Limited lead managed the Offer and has underwritten settlement of the Offer proceeds. The Offer was also supported by RK Equity Capital Markets. The FerrAus corporate advisor in relation to the placement is Gryphon Partners.

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