

Monday 29 August 2011

SUCCESSFUL COMPLETION OF SUBSCRIPTION AND IRON ORE ASSET ACQUISITION

FerrAus Limited (**ASX: FRS**) is pleased to advise that at a General Meeting of the company held earlier today, shareholder approval was obtained for:

- (a) the issue by FerrAus to Atlas Iron Limited (**Atlas**) of approximately 37.4 million FerrAus ordinary shares at an issue price of \$0.65 per share to raise \$24.3 million, pursuant to a subscription agreement (**Subscription**); and
- (b) the purchase of South East Pilbara iron ore assets by FerrAus from Atlas in consideration for approximately 121.8 million FerrAus ordinary shares at a deemed issue price of \$0.65 per share, pursuant to an asset sale agreement (**Iron Ore Assets Acquisition**).

As a result of these approvals and all other conditions precedent being satisfied, the Subscription and Iron Ore Assets Acquisition have completed and approximately 159.3 million FerrAus ordinary shares have been allotted to Atlas, representing 38.96% of the enlarged company.

For further information in relation to the Subscription and Iron Ore Asset Acquisition please refer to the "Consolidation of the South East Pilbara and Recommended Takeover Offer for FerrAus by Atlas" announcement released to the market on 27 June 2011.

Atlas' Takeover Offer for FerrAus

The current timetable for Atlas' takeover offer for FerrAus (**Takeover Offer**) is set out below.

Date (week starting)	Event
5 September 2011	Atlas will lodge Bidder's Statement with ASIC and ASX and serve it on FerrAus, and FerrAus will lodge its Target's Statement with ASIC and ASX and serves it on Atlas
5 September 2011	Atlas will despatch Bidder's Statement to FerrAus shareholders, and FerrAus despatches its Target's Statement to FerrAus shareholders
5 September 2011	Atlas' Takeover Offer for FerrAus opens for acceptances
4 October 2011	Atlas' Takeover Offer for FerrAus closes (unless extended)

Each FerrAus Director continues to recommend that FerrAus shareholders **ACCEPT** the Takeover Offer and intends to **ACCEPT** the Takeover Offer with respect to all FerrAus shares held by them or in which they have a relevant interest, in the absence of a superior offer and subject to the opinion of an Independent Expert in relation to the Takeover Offer.

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