

Subscription Agreement with Wah Nam International Holdings Ltd

The Board of FerrAus Limited (**FerrAus**) is pleased to announce that it has executed a Subscription Agreement with a wholly owned subsidiary of Wah Nam International Holdings Ltd (**Wah Nam**) to make a placement to raise approximately A\$21.5m via the issue of 25,047,939 fully paid ordinary shares at an issue price of A\$0.86 per share, representing a premium of approximately 8% to the last closing price on 22 June 2010. Completion of the placement is due to occur by Monday 28 June 2010.

Following completion of the placement, Wah Nam’s shareholding in FerrAus, including its prior shareholding, will be approximately 14.9%. The shares issued under the placement will be subject to an escrow period of 12 months. The shares will be issued within FerrAus’ 15% placement limit under Listing Rule 7.1 and shareholder approval will not be sought to the issue.

“This substantial placement at a significant premium, during a time of uncertainty caused by the Resource Super-Profits Tax, underscores the attractiveness of the FerrAus Pilbara Project and the significant, growing interest from Chinese investors in our Company,” the Chairman, John Nyvlt, said.

“We welcome this increased shareholding by Wah Nam, a Hong Kong listed investor with an existing substantial iron ore investment in the Pilbara.

“Wah Nam’s participation complements the placement and strategic alliance with China Railway Materials, which remains ready to support FerrAus in developing an infrastructure outcome,” he said.

This placement provides the Company with the funds to progress both its feasibility studies and its exploration program.

FerrAus continues to work on potential infrastructure outcomes, as well as corporate and consolidation opportunities.

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FerrAus Limited

Directors: John Nyvlt Chairman
 Mike Amundsen Managing Director and Chief Executive Officer
 Joe Singer Non-Executive Director
 Guoping Liu Non-Executive Director
 Jim Wall Non-Executive Director
 Rob Greenslade Non-Executive Director

Issued Ordinary Shares: 177,647,198
 Performance Shares (Class B): 7,500,000
 Options 7,525,000
 192,672,198

Market Capitalisation: A\$143 million
 (Share Price: A\$0.805 as at 22 June 2010)

Total Iron Ore Resource = 297.2 Million Tonnes*

* 297.2 million tonnes (32.9 million tonnes – Measured; 112.3 million tonnes – Indicated; 152 million tonnes - Inferred). Resource estimates are in accordance with AusIMM JORC Code 2004 reported in ASX announcement 16/6/2010

Cash: A\$17.2 million (as at 31 March 2010)