Media Statement ***Monday 19 July 2010***

China Railway Materials Corporation To Exercise Subscription Right

FerrAus Limited (ASX: FRS) is pleased to advise that Union Park Company Limited (UPC), a wholly owned subsidiary of China Railway Materials Commercial Corporation (CRM), has, subject to the conditions below, exercised its right to subscribe for 3,005,753 additional FerrAus shares following the recent share placement to Wah Nam International Australia Pty Ltd.

At an issue price of $0.86 per share, the exercise of this right will provide approximately $2.58m in additional funds for FerrAus.

The CRM subscription right is pursuant to the Share Subscription Agreement between FerrAus and CRM dated 7 September 2009 (Subscription Agreement). Details of this Subscription Agreement were provided to FerrAus shareholders in the explanatory notes to the Notice of Meeting for the 2009 Annual General Meeting, a copy of which was released to the Australian Securities Exchange (ASX) on 27 October 2009.

"This action by CRM is very pleasing as it demonstrates its ongoing support and endorsement of FerrAus and an interest in the consolidation of iron ore resource and infrastructure opportunities in the Pilbara," Chief Executive Officer, Mike Amundsen, said.

The subscription is subject to UPC and CRM obtaining all necessary Australian and Chinese regulatory approvals and, if required, the ASX providing its approval.

Also, in order to issue the new shares to CRM and in accordance with ASX Listing Rule 7.1, FerrAus intends to seek shareholder approval to refresh its placement capacity.

If any necessary shareholder or regulatory approvals are not obtained or if any ASX waivers which are required are not obtained, UPC will not be in a position to proceed with the subscription for additional FerrAus shares. If this issue arises, FerrAus will make an appropriate announcement to the market.

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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: **202,695,137**
Performance Shares (Class B): 7,500,000
Options 7,525,000
217,720,137

Market Capitalisation: A$167 million
(Share Price: A$0.825 as at 16 July 2010)

Total Iron Ore Resource = 297.2 Million Tonnes* **Cash: A$17.2 million** (as at 31 March 2010)

** 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*