

For immediate release on 2 December 2009

PROPOSED ISSUE OF UNLISTED OPTIONS

The Board of FerrAus Limited (**Company**), at its board meeting on 27 November 2009, reviewed the remuneration package in place for the Company's Managing Director, Mr Michael Amundsen. As disclosed in the Company's ASX release dated 3 July 2009, the employment contract entered into with Mr Amundsen contained the potential to issue options to him as a long term incentive (subject to shareholder approval). Accordingly, the board has resolved to grant Mr Amundsen 1,500,000 options, subject to obtaining shareholder approval to the grant. In accordance with ASX Listing Rule 3.10.3, the following information is provided regarding the issue of options:

Class of Securities	Unlisted options
Number of securities	1,500,000
Principal Terms	Each option will be exercisable for one ordinary share in the capital of the Company. The grant will comprise 3 tranches of 500,000 options with strike prices of \$0.75, \$1.00 and \$1.25 respectively. All tranches have a 3 year term and a one year escrow from the date of grant, subject to Mr Amundsen maintaining employment with the Company. In the event of a takeover, the options fully vest.
Issue price or consideration	Nil
Purpose of the issue	As part of reasonable remuneration for the Managing Director and in accordance with his employment contract.
Shareholder approval	The Company will seek shareholder approval
Class of securities	The issue will not be made to a class of security holders

Yours sincerely



DONALD STEPHENS
COMPANY SECRETARY