ASX ANNOUNCEMENT

Thursday 3 February 2011

Not for release or distribution in the United States

WAH NAM TAKEOVER AND $35M PLACEMENT SETTLEMENT UPDATE

FerrAus Limited would like to update the market in respect of developments relating to the takeover offer (Takeover Offer) by Wah Nam International Australia Pty Ltd (Wah Nam Australia), a wholly owned subsidiary of Wah Nam International Holdings Limited (Wah Nam) and its implications on the FerrAus' $35 million Placement (Placement) which was due to settle today.

As previously indicated to the market, the Placement will be a defeating condition of the Takeover Offer. However, Wah Nam announced overnight that Wah Nam Australia:

i. does not intend to rely on this defeating condition of the Takeover Offer;

ii. is seeking ASIC relief to extend the Takeover Offer to the new Placement shares and such extension requires the approval of Wah Nam shareholders; and

iii. intends to extend the Takeover Offer to 15 March 2011.

As a result of Wah Nam's announcement, FerrAus has delayed settlement of the Placement pending a determination by ASIC on the above relief.

FerrAus has advised ASIC that it does not object to the grant of relief on appropriate terms.

FerrAus will update the market on developments by latest Monday, 7 February 2011.

For any enquiries please contact: Martin Debelle +61 (02) 9290 3023

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.