FERROWEST

LIMITED

ABN 14 074 009 091

24 April 2007

ASX ANNOUNCEMENT

NON-RENOUNCEABLE OPTION RIGHTS ISSUE

Ferrowest Limited is pleased to announce that the Board of Directors has resolved to offer all shareholders a non-renounceable offer to purchase one option for every two shares held. Each option will be offered at an issue price of $0.04 (four cents) each and each option issued will have an exercise price of $0.25 (twenty five cents) and expire on 1 June 2010. This offer will raise up to approximately $1,080,000.

A Prospectus in regard to this proposed offer is currently being finalised and will be lodged with ASIC and ASX shortly. Documentation, including a timetable of the offer and the Prospectus, will be dispatched to shareholders in the near future.

Ferrowest Limited is developing the Yalgoo Iron Project aimed at producing merchant pig iron from the Yogi magnetite mineralisation near Yalgoo in the mid west region of Western Australia. Proposed initial production is 500,000 tonnes per annum. The plan to process the iron ore to pig iron on the mine site is premised on emerging mine site based technologies and excellent existing infrastructure servicing the site. The resulting value added merchant pig iron product will be a relatively high margin, high quality, low volume product for export to electric arc and basic oxygen furnace steel making plants worldwide.

Unit 18, 28 Belmont Ave, Belmont WA 6104
Phone: +61 8 9277 2600 Fax: +61 8 9277 2655
PO Box 383 Belmont WA 6984
www.ferrowest.com.au