



30 May 2007

**ASX ANNOUNCEMENT**

**NON-RENOUNCEABLE ENTITLEMENTS OFFER OF OPTIONS**

Ferrowest Limited is pleased to announce the allotment of the 27,000,000 options offered under the Prospectus dated 24 April 2007. Holding statements have today been despatched to option holders.

The ASX code for the new options is: **FWLO**

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.

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