FERROWEST
LIMITED

ABN 14 074 009 091

9 May, 2011

ASX Announcement
MEDIA REPORTS

The Company has become aware of media reports from China stating that Ferrowest has entered an agreement with the Sichuan Taifeng Group.

As previously advised to the market, the Company has held detailed negotiations with a number of parties, one of which is the Sichuan Taifeng Group but the Company advises that no agreement has been concluded with any party at this time.

For further information please contact: Brett Manning – Managing Director +61 8 9277 2600

<u>The Yalgoo Iron Project - Outline</u>

Ferrowest Limited is developing the Yalgoo Iron Project aimed at producing seaborne traded merchant pig iron (96%Fe) from the Yogi magnetite deposit near Yalgoo in the mid west region of Western Australia. Proposed initial production is 1,000,000 tonnes per annum. The plan to process the iron ore to pig iron is premised on the ITmk3® technology and excellent existing infrastructure servicing the Project area. The resulting value added merchant pig iron product will be a relatively high margin, high quality, low volume product for export to quality electric arc furnace steel making plants worldwide.

<u>The Western Haematite Project - Outline</u>

Ferrowest Limited has identified potential zones of direct shipping ore ("DSO") grade haematite at its Yogi iron deposit 14 km east of Yalgoo in the mid west of Western Australia. Exploration of a 600Ha area is ongoing with a number of potential haematite targets identified. The current concept for the WHP, subject to satisfactory exploration, study results and government approvals, envisages mine production of around 1.5Mtpa, with the direct shipping grade ore being transported by road train to Geraldton for export to China. The relatively simple open cut mine scenario and existing road train approved transport corridor over a relatively short trucking distance direct to the existing port provide an excellent basis for the WHP.

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