FERROWEST
LIMITED

ABN 14 074 009 091

12 October, 2011

ASX Announcement
Listing Rule Waiver

Ferrowest Limited ("the Company") refers to an announcement made on 13 July 2011 in relation to an ASX wavier of listing rule 7.3.2 to the extent necessary to permit the Company to issue shares and options to TFA International Pty Ltd (100% owned subsidiary of the Sichuan Taifeng Group of China) more than three months after a shareholder meeting approving the relevant issue.

This waiver provided the time necessary to secure Chinese Government approval of the transactions and had a final date by which the shares and option had to be issued of 4 March 2012.

Due to the time which elapsed between the signing of the Heads of Agreement with TFA International on 3 June 2011 and the signing of the final Investment Agreement on 19 September 2011, the Company applied for a new waiver on the same terms but with a final date of 20 June 2012.

ASX has rescinded the original waiver announced on 13 July 2011 and approved a new waiver on the same terms but with a final date of 20 June 2012.

The details of the new waiver are as follows:

ASX Limited has granted the Company a waiver from listing rule 7.3.2 to the extent necessary to permit the notice of meeting (the "Notice") seeking shareholder approval for the issue of 10,000,000 ordinary fully paid shares at $0.20 per share ("Shares") and 18,000,000 options exercisable at $0.24 for nil consideration ("Options") to TFA International Pty Ltd or its nominee ("TFA"), to state that the Shares and Options may be issued more than three months after the date of the shareholders' meeting, on the following conditions:

- The Shares and Options are issued within three weeks of the Chinese Government approving the transaction contemplated in the Heads of Agreement entered into between the Company and TFA, and in any event, no later than 20 June 2012.
- For any annual reporting period during which any of the Shares or Options have been issued or any of them remain to be issued, the Company's annual report sets out in detail the basis on which the Shares and Options may be issued.
- The Company releases the terms of the waiver to the market immediately.

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