



23 August 2011

UPDATE ON RECOMMENDED TAKEOVER OFFER FOR FERRAUS

Atlas Iron Limited (“**Atlas**”) [ASX: AGO] is pleased to confirm the timetable for its recommended takeover offer for FerrAus Limited (“**FerrAus**”) [ASX: FRS] announced on 27 June 2011. Atlas will open its bid for FerrAus in the week starting 5 September 2011.

Timetable

The timetable for Atlas’ takeover offer for FerrAus is set out below.

Date (week starting)	Event
5 September 2011	Atlas will lodge Bidder’s Statement with ASIC and ASX and serve it on FerrAus, and FerrAus lodges its Target’s Statement with ASIC and ASX and serves it on Atlas
5 September 2011	Atlas will despatch Bidder’s Statement to FerrAus shareholders, and FerrAus despatches its Target’s Statement to FerrAus shareholders
5 September 2011	Atlas’ Takeover Offer for FerrAus opens for acceptances
3 October 2011	Atlas’ Takeover Offer for FerrAus closes (unless extended)

Background on Atlas’ Takeover Offer for FerrAus

In June 2011 Atlas and FerrAus executed a Bid Implementation Agreement, pursuant to which Atlas has agreed to offer FerrAus ordinary shareholders 1 Atlas share for every 4 FerrAus ordinary shares. This implied an offer price of \$0.858¹ per FerrAus ordinary share and represented a premium of 34% to FerrAus’ closing share price on 24 June 2011². As announced on 25 July 2011, the Atlas takeover offer is no longer subject to the completion of the Subscription and the Iron Ore Assets Acquisition.

Each FerrAus Director continues to recommend that FerrAus Shareholders **ACCEPT** the Takeover Offer and intends to **ACCEPT** the Takeover Offer with respect to all FerrAus shares held by them or in which they have a relevant interest, in the absence of a superior offer and subject to the opinion of an Independent Expert in relation to the Takeover Offer.

Further enquiries please contact

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¹ Based on Atlas’ last close price of \$3.43 on 24 June 2011

² Based on FerrAus’ last close price of \$0.64 on 24 June 2011