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PLACEMENT UPDATE

Settlement Timetable

As previously announced, FerrAus Limited (FerrAus) had delayed settlement of its \$35 million placement (Placement) pending ASIC determination of an application by Wah Nam International Australia Pty Ltd, a wholly owned subsidiary of Wah Nam International Holdings Limited (Wah Nam), for relief to vary offers under its takeover bid to extend them to newly issued shares (Takeover Extension), including shares to be issued under the Placement (new Placement Shares).

Following ASIC's approval of Wah Nam's application, FerrAus advises that the Placement will now settle on the following timetable:

Settlement: Friday, 18 February 2011

Allotment: Monday, 21 February 2011

Wah Nam Takeover Extension

Before the Takeover Extension can take effect, Wah Nam must obtain approval from its shareholders and issue a supplementary bidder's statement. Until the Takeover Extension takes effect or, if earlier, the Wah Nam takeover bid expires or is withdrawn, the ASX requires that the new Placement shares be issued and temporarily trade under a separate ASX code 'FRSN'. Thereafter, the new Placement Shares will automatically trade under the regular ASX code 'FRS'.

Wah Nam has announced that it intends to seek approval from its shareholders for the Takeover Extension. FerrAus is not aware of any reason why Wah Nam shareholders will not approve the Takeover Extension particularly given the previous Wah Nam shareholder approval in relation to the takeover bid was unanimously approved. To be approved, the Takeover Extension must be supported by a simple majority of votes cast on the resolution.

Under the Hong Kong listing rules, Wah Nam must give at least 10 business days notice of a special general meeting of its shareholders. FerrAus notes that Wah Nam's takeover bid expires on 15 March 2011 hence, it is reasonable to assume, that Wah Nam will seek shareholder approval well before this date. FerrAus expects Wah Nam to update the market promptly on its anticipated timing for this shareholder meeting.

If Wah Nam shareholders do not approve the Takeover Extension, the new Placement Shares will need to trade under the separate 'FRSN' code until such time as Wah Nam's

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takeover bid expires or is withdrawn. If the Takeover Extension is not made, a key condition of Wah Nam's takeover bid, the minimum 90 per cent acceptance condition will be impossible to satisfy because the new Placement Shares will constitute 16.6 per cent of issued shares. FerrAus believes that it would be unacceptable for Wah Nam to maintain its takeover bid on those terms.

The new Placement Shares will rank pari passu with existing FRS shares. The separate code relates only to the application of Wah Nam's takeover bid until the Takeover Extension is made or if earlier, the bid expires or is withdrawn.

While the new Placement Shares trade under a separate ASX code, these shares will be the subject of separate price quotations on the ASX to the price quotations for other FerrAus shares. Factors that may influence the prices quoted for the new Placement Shares include the prices quoted for other FerrAus Shares, the fact that new Placement Shares would not at that time be capable of being accepted into the Wah Nam takeover bid and the liquidity of any market that may develop for the new Placement Shares.

FerrAus directors would like to reiterate that they unanimously recommend that shareholders do not accept Wah Nam's takeover offer. As at today's date, Wah Nam has not advised the ASX of any acceptances.

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