

14 January 2012

Ferrex plc ('Ferrex' or 'the Company')
Secures Mebaga DSO Iron Project in Gabon

Ferrex plc, the AIM quoted iron ore and manganese development company focused in Africa, is pleased to announce it has been granted the 309 sq km "Ngama" exploration licence in Gabon, West Africa which covers the high grade Mebaga iron ore deposit.

Overview

- Direct Shipping Ore ('DSO') iron ore, defined over 1.8km of strike in previous exploration undertaken by the Bureau de Recherches Géologiques et Minières ('BRGM'), the French public earth sciences institution
- Exploration target* of 20Mt @ 60% Fe and a larger, lower grade target of 50Mt @ 47% Fe
- Extensive pitting in the main zone of Mebaga returned intercepts such as:
 - 27m @ 58.4% Fe (mineralisation still open at bottom of pit)
 - 18.5m @ 57.5% Fe (mineralisation still open at bottom of pit)
 - 10.5m @ 61.4% Fe (mineralisation still open at bottom of pit)
- Mebaga is well located relative to existing infrastructure – 30km from a sealed highway, 100km north of the Trans-Gabon railway and 260km (in a direct line) from the deep water Port of Owendo
- Ferrex plans to implement a fast-tracked exploration plan targeting the definition of a high grade iron ore resource
- Gabon is a stable, pro-mining country which hosts a number of high grade iron ore deposits including Belinga (1Bt @ 60% Fe)

**The potential quality and quantity is conceptual in nature and there has been insufficient work completed at present to define a Mineral Resource in this area under the JORC (2004) Code. The nature of an Exploration Target is such that it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Ferrex Managing Director Dave Reeves said, "The Mebaga iron ore licence in Gabon has the potential to be transformational for Ferrex, particularly with the presence of high grade DSO iron ore mineralisation on site. In addition, the project is located close to infrastructure, just 30km from a sealed highway which links directly to existing rail and river for bulk transport options, making the project potentially attractive in terms of future economics. It is our intention to rapidly progress the project up the resource curve, and ultimately to the Bankable Feasibility Study stage, by targeting the known mineralisation and conducting a comprehensive exploration programme over the licence area this year.

"We look forward to reporting on our progress in Gabon, as we advance the project in tandem with our other development assets in Africa with a view to production. These include the Nayega manganese project in Togo which is at the Definitive Feasibility Stage, and Malelane iron ore project

in South Africa where a Scoping Study has been completed to build value for shareholders in the mid term."

Background Information:

Ferrex will have an 82% interest in the Mebaga iron ore project in Gabon through its holding in Gabonese company Ressources Equatoriales SARL ('Equatorial'). Equatorial holds a granted exploration licence covering an area of 309 sq km, just 30km from a sealed highway that links directly to the Trans-Gabon rail line.



Location of Mebaga

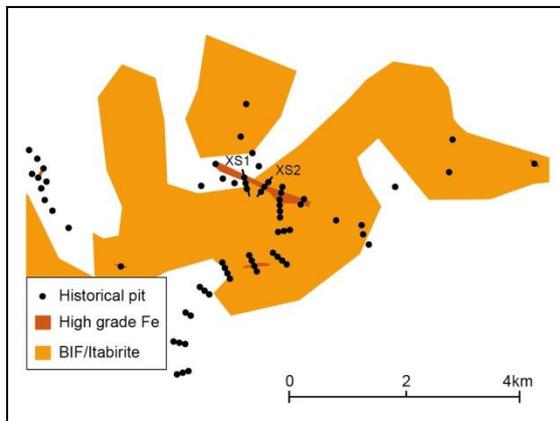
Mebaga is located within an extensive high grade iron ore province which extends from Gabon into the Republic of Congo ('ROC') and Cameroon. Deposits in the district include Belinga in Gabon (1Bt @ 60% Fe); Mbalam in Cameroon (775Mt @ 57% Fe) and Avima in the ROC (690Mt @ 58% Fe). Importantly, Mebaga is the nearest DSO iron ore project to the Atlantic of any in this prolific iron province.

Iron ore mineralisation in the province is hosted in Archean banded iron formation ('BIF') horizons. In Gabon, these rocks belong to the Belinga Supergroup. Gabonese Government geology maps show that BIF within the Mebaga licence area is exposed over a strike length of more than 20km at widths up to 2km.

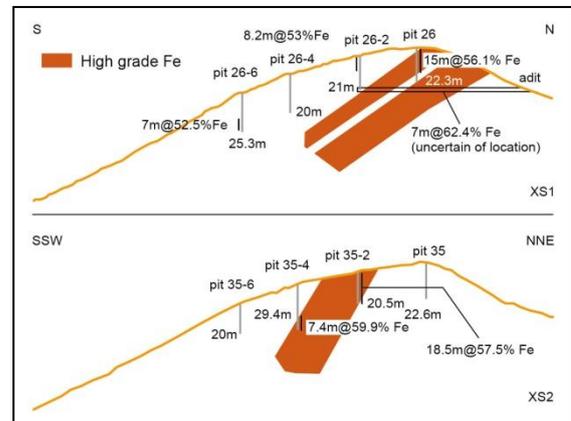
In the early 1960s, the BRGM completed reconnaissance evaluation in the Ngama district and targeted pitting of high grade iron exposures at Mebaga. Ferrex has access to the data generated by the BRGM. A total of 95 pits were excavated, to depths up to 29.4m below surface, on several iron occurrences. A number of the pits returned high grade iron intercepts in vertical channel samples, including results such as 27m @ 58.4% Fe (mineralised from top to bottom); 18.5m @ 57.5% Fe (mineralised to bottom) and 10.5m @ 61.4% Fe (mineralised to bottom). Pitting identified a coherent zone of mineralisation extending along strike for about 1.8km. Cross sections constructed by the

BRGM indicate that mineralisation is interpreted to dip at a shallow to moderate angle and is inferred to be at least 30-35m thick in places.

Plan of main mineralisation



Cross Sections



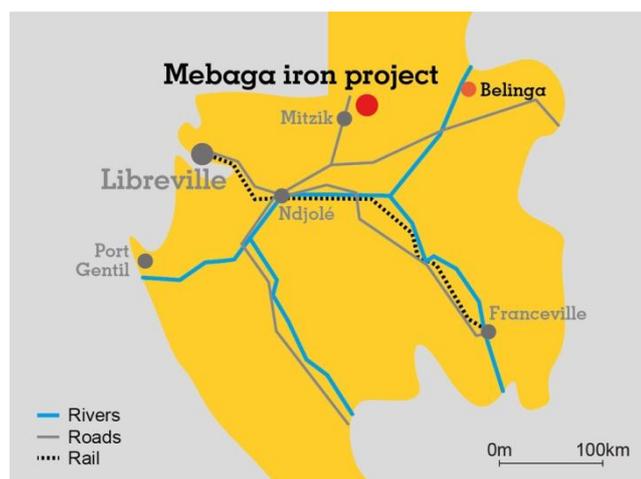
As a result of this work, the BRGM estimated there is a 'potential resource'* (equivalent to an exploration target) of 20Mt @ 60% Fe and a larger, lower grade target of 50Mt @ 47% Fe. The lower grade material will be assessed to ascertain if it can be easily upgraded via screening (bBSO iron ore), which could add significantly to the exploitable tonnage of the deposit.

Ferrex is implementing a fast-tracked exploration plan targeting the definition of high grade iron ore resources. Geophysical data (aeromagnetic and radiometric) will be purchased and processed. Reconnaissance and detailed geological mapping will commence as soon as access to the BIF trend has been established. A drill programme will be planned and implemented once the geophysical and geological (from mapping) data have been interpreted.

*The estimate predates and is non-compliant with the Australian JORC Code and constitutes an exploration target as defined under the JORC Code; it is of a conceptual nature and it is uncertain whether further exploration will lead to the definition of a compliant Mineral Resource on the property.

Infrastructure

The Mebaga project is well situated with respect to infrastructure and follows the Ferrex requirement of being a potential low capex development.



Rail Options

There are two rail transport options open to the project. The first is to access the standard gauge Trans-Gabon Railway at Ndjole, which is located 200km from the Mebaga deposit along the sealed N2 national highway. This railway terminates 182km from Ndjole at the deep water port of Owendo in the outskirts of Gabon's capital Libreville. The Trans-Gabon Railway currently exports 3.5mt of manganese ore per annum, plus timber. The second option would be to access the proposed multi-user Belinga iron ore railway when this project is developed as the planned rail line passes within 100km of the Mebaga deposit.



Rail near Ndjole



Road near Mitzié

Barge Option

A second logistics solution would be to deliver the ore to the river port of Ndjole via the sealed N2 national highway. Ndjole is located on the Ogooue River, which is the principal principal river in Gabon and provides year round access to Port Gentil located on the Atlantic Coast 300km downstream. Port Gentil is the oil and gas hub that services Gabon's onshore and offshore oil industry.

Associated Agreements

At the time of application, Ferrex owned 65% of Equatorial. As part of this transaction, Ferrex has agreed to purchase an additional 17% of Equatorial from a minority shareholder (the 'minority interest') for 40m shares. The acquisition of the minority interest will be subject to the company receiving an independent confirmation that the valuation of the minority interest is, inter alia, reasonable in accordance with section 593 of the Companies Act 2006.

In addition, as the Megaba licence overlaps an existing licence granted for gold to Goldstone Resources Ltd, Ferrex was required to conclude an agreement with Goldstone to satisfy the Gabonese Government. As a result, Ferrex has agreed to the following main terms with Goldstone:

- a 1% gross royalty to be paid on any production;
- Ferrex will undertake soil sampling for gold on the BIF in the overlapping area;
- any economic gold mineralisation will take precedence over iron mineralisation if there is overlap.

Competent Person Statement

Information in this release that relates to exploration results is based on information compiled by Ferrex Exploration Manager Mr Mark Styles. Mr Styles is a qualified geologist, a member of the Australian Institute of Geoscientists and is a Competent Person as defined in the Australasian Code for Reporting of Exploration Results. Mr Styles consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Caution Regarding Forward Looking Statements: Information included in this release constitutes forward-looking statements. There can be no assurance that ongoing exploration will identify mineralisation that will prove to be economic, that anticipated metallurgical recoveries will be achieved, that future evaluation work will confirm the viability of deposits that may be identified or that required regulatory approvals will be obtained.

****ENDS****

For further information and the full Admission document visit www.ferrexplc.com or contact the following:

Dave Reeves	Ferrex plc	+ 61 (0) 420 372 740
finnCap		+44 (0)20 7220 0500
Elizabeth Johnson / Joanna Weaving	Broking	
Matthew Robinson / Henrik Persson	Corporate Finance	
Felicity Edwards/ Elisabeth Cowell	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

Notes

Ferrex plc is an AIM quoted exploration and development company focused on advancing low capex iron ore and manganese projects in Africa through the development cycle and into production. Our current property portfolio comprises the Nayega manganese project in Togo where the company is steadily progressing with development plans, iron ore at Mebaga in Gabon and Malelane in South Africa and manganese at Leinster in South Africa.

The Company's growth strategy is centred on advancing its current assets, utilising its Board and management team's considerable experience in developing resource projects across Africa and expanding its portfolio through acquisitions to build Ferrex into a mid-tier, low-cost producer of iron ore and manganese.