

22 June 2011

Ferrum Crescent Limited

("Ferrum Crescent", the "Company" or the "Group")(ASX: FCR, AIM: FCR)

Offtake Agreement – Duferco SA

Highlights

- Offtake agreement with Swiss based Duferco SA
 - Offtake for direct reduction and/or blast furnace product from iron ore projects in South Africa
 - Anticipated 4.5 million tonnes (mt) of iron ore pellets per year export to be produced (plus 1.5mt per year to be sold domestically)
- Moonlight Project - 74Mt in the Indicated Resource category and 225Mt in the Inferred Resource category at a grade of 30%
 - Resource update expected in Q3 2011
 - Feasibility study commissioned (AMEC Minproc) on schedule for completion early 2012

The Directors of Ferrum Crescent are pleased to announce that the Company has entered into an offtake agreement with Swiss based Duferco SA, a leading private company in the trading, mining, and end use of iron and steel products and raw materials for the steel industry. Following due diligence on the mineral assets of the Company, Duferco concluded that Ferrum Crescent should be able to produce direct reduction and/or blast furnace pellets equal to or better than current world best product.

The offtake agreement with Duferco SA covers up to 6 mt of anticipated iron ore pellet production from Ferrum Crescent's Moonlight Project. Under the agreement, Ferrum Crescent will sell Duferco all of their production available for export (in total 4.5 mt) and will give Duferco a first right of refusal over an additional 1.5 mt per year to the extent that the product is not sold domestically, thus allowing Ferrum Crescent to follow a growth strategy at its South African projects.

The offtake agreement has an initial five year term commencing when the Moonlight Project plant operations reach full production, and the term is automatically renewed for further periods of five years unless one of the parties elects to terminate the agreement within the final six months of any five year period. The agreement contains termination mechanisms in the case of specified failure to perform or a party's insolvency. In addition, either party may terminate the agreement in the case where a single shareholder holds 50% or more of Ferrum Crescent's voting capital.

The agreement contains standard commercial terms and provisions customarily set out in such contracts. Although the financial details of the agreement are to remain confidential, the offtake agreement is of immense importance to Ferrum Crescent as it will underpin the ability of the Company to finance project development.

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Moonlight Iron Ore Project, South Africa

Ferrum Crescent's Moonlight Iron Ore Project, which is situated in Limpopo Province in South Africa, contains a JORC compliant resource of 74Mt in the Indicated Resource category and 225Mt in the Inferred Resource category at a grade of 30% Fe. It is the subject of a detailed feasibility study which is currently being carried out by the Company on the development of a pellet plant for the production of iron ore pellets for the South African market, with magnetite concentrate delivered to the plant via a slurry pipe from Moonlight. The study is being managed by AMEC Minproc, and the current phase is expected to be completed early in 2012.

Assayed results from exploration drilling to date have confirmed confidence in the geological model and demonstrated excellent continuity of iron mineralisation. Results from the concurrent drilling and metallurgical testwork programmes undertaken during Q1 2011 are currently being processed and will be announced on completion. Ferrum Crescent expects that an updated resource model will be announced during the third quarter of 2011.

Ferrum Crescent's Executive Chairman, Ed Nealon welcomed the relationship with Duferco, commenting; "Ferrum Crescent is delighted to be working with a leading metals group such as Duferco as a partner to sell our future high quality, processed iron product globally. As part of the agreement process Duferco has conducted extensive due diligence on our Moonlight project and supporting infrastructure. The project has an established JORC resource but I am extremely pleased that Duferco has made a positive assessment of the transport and metallurgy relating to Moonlight and that they believe we have an asset capable of producing a high quality processed iron product. As work continues to schedule at the Moonlight project we look forward to announcing a resource upgrade later in the year and remain on schedule to complete our feasibility study in 2012."

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Competent Person's Statement:

The information in this report is based on information compiled by Lindsay Cahill, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Cahill has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cahill is a consultant to the mining industry. This report is issued with Mr Cahill's consent as to the form and context in which the exploration results appear.

Ferrum Crescent

Ferrum Crescent Limited is an Australian company listed on the Australian Securities Exchange (ASX) and the AIM market of the London Stock Exchange.

The Company seeks to capitalise on the future demand for iron and steel worldwide by producing iron products in the Republic of South Africa, for both the domestic and the export markets. Ferrum Crescent will maximise the beneficiation of iron ore product locally in line with the objectives of the Mineral and Petroleum Resources Development Act 2002 (South Africa). During the recent global rush for iron ore resources, South Africa, a relatively under-developed market, has been largely overlooked, prompting Ferrum to identify and pursue opportunities in South Africa.

To that end, the Company has acquired a controlling interest in a South African company that holds the rights to significant iron ore deposits in South Africa. The Turquoise Moon Iron Project consists of two separate iron ore (magnetite) occurrences, the Moonlight Deposit and the De Loskop Prospect. The Moonlight Deposit consists of coarse-grained magnetite-quartz rocks that display the following features which set it apart from comparable magnetite deposits:

- The ability to produce very high quality concentrates at a coarse grind size;
- Exceptionally low level of detrimental elements in the concentrates;
- Near surface mineralisation;
- Low stripping ratios.

The mineralisation is close to surface and consequently represents a low stripping ratio target with consequential mining cost benefits. The contained iron within the maiden Indicated Resource is sufficient to exceed 20 years' production.

The Company also holds an interest in the De Loskop Prospect, which is located approximately 150k east of Moonlight and only 50k north of Polokwane, the regional service centre.

Duferco SA

Duferco SA is a large and diverse private group that stands as a world leader in the trading, mining, and end use of iron and steel products and raw materials for the steel industry. Revenues of some US\$11 billion were reported for 2008.