

23 February 2011

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

Moonlight Iron Ore Drilling, South Africa

Highlights

- Drilling programme follows review of project resources by AMEC Minproc ("AMEC"), Ferrum's Feasibility Study Manager
- Programme of reverse circulation ("RC") and diamond core drilling commenced
 - RC drilling of some 12 holes for 1500m to provide additional confidence in central deposit area
 - 11 HQ diamond core holes (total 1000m) to provide mineralisation information, further verify historical drill data and check bulk density measurements
- Core holes to provide bulk material for detailed phase of metallurgical testing
- Metallurgical programme foundation for developing a process flow sheet for production of a concentrate of the quality required for DRI grade pellets

Ferrum Crescent today announces that a programme of reverse circulation ("RC") and diamond core drilling has commenced at the Moonlight Iron Ore Project. The drilling will provide additional geological understanding in important areas of the deposit and provide bulk sample for the first stage of an ongoing metallurgical testwork programme.

Moonlight contains a JORC compliant resource of 74Mt in the Indicated Resource category and 225Mt in the Inferred Resource category.

The drilling programme follows a review of the project resources by AMEC Minproc ("AMEC"), Ferrum's Feasibility Study Manager. AMEC believes the current resource model is adequate for preliminary planning purposes. However, additional sampling needs to be completed to ensure that adequate Measured and Indicated Resources are defined to support project financing.

The proposed RC drilling of some 12 holes for 1500m will largely provide additional confidence in areas of the central part of the deposit. A deeper hole in the south-west of the

Ferrum Crescent Limited ACN 097 532 137

Unit 1, 135 Great Eastern Highway, Rivervale WA 6103 Australia

Phone: +61 8 9477 3031 Fax: +61 8 9475 0847 Email info@ferrumcrescent.com www.ferrumcrescent.com

deposit is planned to test for repetition of mineralisation at depth in a zone dominated by shallow drilling.

Eleven HQ diamond core holes for a total 1000m will provide more detailed geological information on the mineralisation and further verify the use of historical drill data and checks on bulk density measurements. Importantly the core holes have been located to provide bulk material for a detailed phase of metallurgical testing that will commence at the conclusion of the drilling. The metallurgical programme is the first stage of an investigation aimed at developing a process flow sheet that will result in the production of a concentrate of the quality required for the production of DRI grade pellets.

The Company anticipates that an upgraded resource statement will be available for release in Q2 2011.

Commenting Ed Nealon, Executive Chairman of Ferrum Crescent said:

“The RC and diamond drilling programme commenced at Moonlight today will allow Ferrum Crescent to rapidly increase our understanding of the iron ore resource at the project. While a core objective of the programme is to increase the overall JORC compliant resource at Moonlight, of equal importance will be the results that go towards metallurgical test work. Defining a process flow sheet that allows Ferrum the ability to produce a pure, high quality, DRI pellet is key to unlocking significant value from Moonlight and we shall be able to begin this process on receipt of all the assayed drill results. We are confident that we will be able to achieve the tonnages of magnetite mineralisation published by South Africa’s ISCOR in the 1990s and hence have a target* for Moonlight of 450 to 650 mt of magnetite mineralisation.”

* *The term “target” should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.*

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.

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Australia and Company enquiries	UK and press enquiries
Ferrum Crescent Limited Ed Nealon T: +61 419 905 546 Executive Chairman Robert Hair –T: + 61 414 926 302 Company Secretary	Ocean Equities Limited (Broker) Guy Wilkes T: +44 (0)20 7786 4370 Ambrian Partners Limited (Nominated Adviser) Richard Swindells T: +44 (0) 20 7634 4856 Jen Boorer T: +44 (0) 20 7634 4859
For more information on the Company visit www.ferrumcrescent.com	Threadneedle Communications Limited Laurence Read/Beth Harris T: +44(0)20 7653 9855

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Further Information

The Group has a controlling interest (as defined under South African law) in a South African company that holds the prospecting right over two separate areas of iron-ore mineralisation in RSA; in particular the Moonlight magnetite deposit and part of the De Loskop prospect, which together form the Turquoise Moon Iron Project in the Limpopo Province of RSA ('the Project').

The Group owns approximately 81.5 per cent. of the Project, comprising a direct interest of 74 per cent. and a further indirect interest of approximately 7.5 per cent. through a minority shareholding in Ferrum's Black Economic Empowerment ("BEE") partner, Mkhombi Investments (Pty) Limited ("Mkhombi"). Mr Kofi Morna, who is a director of Mkhombi, is also a Director of the Company. A trust representing local Limpopo communities impacted by the Turquoise Moon Iron Project will hold equity in Mkhombi.

Since April 2008, the Group has been developing and defining the resource potential of the Project. The Moonlight magnetite deposit currently has a JORC compliant resource of 74Mt in the Indicated Resource category and 225Mt in the Inferred Resource category at a grade of 30 per cent. Fe, and the De Loskop prospect an exploration target magnetite mineralisation of 200Mt to 1,000Mt which is non-JORC compliant at a grade of 30 – 40 per cent. Fe.*

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