



Fortescue Metals Group Ltd

ACN: 002 594 872
87 Adelaide Terrace, East Perth
Western Australia 6004
PO Box 6915, East Perth, Western Australia 6892

Telephone: + 61 8 6218 8888

Facsimile: + 61 8 6218 8999

Website: www.fmg.com.au

Media Release

FORTESCUE SETS HISTORIC DAY WITH FIRST ORE LOADING

Port Hedland – May 15, 2008: Fortescue Metals Group today commenced loading its first commercial shipment of iron ore from the "Herb Elliott Port" at Port Hedland for delivery to major Chinese customer Baosteel.

The historic loading of 180,000 tonnes of high quality "Rocket" iron ore aboard the Cape size vessel Heng Shan (Everlasting Mountain) is the culmination of an extraordinary achievement by some 12,000 people who have worked on Fortescue's operations since its inception in 2003.

At a ceremony today at Port Hedland, attended by the Premier of Western Australia, the Hon Alan Carpenter, and senior Baosteel representatives, Fortescue Chief Executive Officer Andrew Forrest paid tribute to everyone who had worked on the project.

"Today is a historic day for all the people who have worked tirelessly to bring this project to life, the Pilbara, for Fortescue and the Australian mining industry," Mr Forrest said.

"It has been a testament to Australian ingenuity, persistence and hard work that Fortescue has managed to achieve this feat in such a short period of time.

"It has been achieved, and I want to recognise, the support of the State Government, all the local people of the Pilbara and the faith of our customers, who recognised the growing demand for Pilbara's rich iron ore resources.

"In exactly three-and-a-half years since the very first discovery hole was drilled into Cloudbreak, we have planned, designed and built the massive infrastructure needed to start shipping ore.

"After nearly 10 million man hours, 200 permits, 13,000 engineering drawings, 330 contracts, 24,000 invoices, megawatts of passion and toil with buckets of sweat, stage one of our project is almost complete.

"The impact of our first shipment will have notable consequences. The global iron ore industry is now experiencing an abrupt change in the course of its massive consolidation.

"A vanguard of industry juniors has been further energised by our example. Steel mills across Asia, and, the workforces of the Pilbara, welcome a major new low cost supplier and a high quality alternative employer. Australia now has a new flagship company that is proudly waving that flag.

"Our commitment reflects our character. Our character is the power to change the realities we face where our integrity triumphs over the scepticism of others, every day."

Fortescue will complete the last commissioning phases of the mine, rail and port operations over the next few months and is increasing production from its existing operations to 55 million tonnes per annum.

Mr Forrest expressed great confidence in the future and the permanence of the Pilbara iron ore industry. "Once this project is fully completed, the mine, rail and port operations will be increased to allow for production to be increased to well over 100mtpa.

The New Force in Iron Ore

"The Company's next major iron ore region, Solomon, once developed, could increase annual production to 200mtpa from Fortescue alone. The Governments and people of Australia can consider the Pilbara as a permanent social and economic home."

While recognising the commitment and efforts of everyone who has worked on the project, Mr Forrest made special mention of the tragedy of the contractors who lost their lives during the construction phases.

"While today recognises remarkable achievements, we also sadly remember the lives of those special people who will not be here to recognise this occasion. We will never forget them and continue to wish their families well," Mr Forrest said.

Baosteel, China's biggest steel producer and Fortescue's largest customer, has signed a long term 10 million tonne per year supply contract which will be increased by an additional 10 mtpa once Fortescue production increases beyond 55mtpa. All top 10 Chinese steel mills have signed supply contracts.

Some other significant project data includes:

Exactly 3.5 years between the Cloudbreak discovery hole and commercial production - with over \$3.5 billion raised to implement commercialisation of the discovery;

First iron ore company to use surface mining operations as opposed to traditional drill, blast and crush deep open cut mining;

- 270 kilometres of rail line;
- 15 locomotives;
- Each train will haul 204 wagons of 160 tonnes (135 tonnes of iron ore) for a total load of over 27,500 tonnes of ore per train;
- 12,000 people safety inducted on to the various sites (72.4% from WA; 25.6 from outside WA; balance from off-shore);
- Nearly 10 million man hours;
- 13,000 engineering drawings;
- 70 sub contractors;
- 200 Government and community permits;
- 38,000 tonnes of steel rails;
- 420,000 railway sleepers.

ENDS

For more information, please contact:

Paul Downie
0414 947 129

Cameron Morse
0433 886 871