



Fortescue Metals Group Ltd

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The Companies Officer
Australian Stock Exchange Ltd.
Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sir,

Locomotives Supply Contract awarded to General Electric

Fortescue Metals Group Ltd ("Fortescue") advises that it has awarded the locomotive supply contract to General Electric. The lump sum covers the delivery of 15 Dash 9 "CW44" locomotives for commissioning in November 2007. Fortescue advises that the contract value was under the budgeted amount.

The contract to supply the locomotives was identified as a material contract within the offering memorandum pursuant to the recent issuance of senior secured notes. The notes, issued by Fortescue's wholly owned subsidiary FMG Finance Pty Ltd, are now trading on the Singapore Stock Exchange.

Fortescue has also awarded a contract to Perth Drafting Company covering the shop detailing of steel for the ore processing centre to be located at the Cloud Break mine site.

Yours sincerely

Fortescue Metals Group Ltd

Rod Campbell

Company Secretary