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L A W Y E R S

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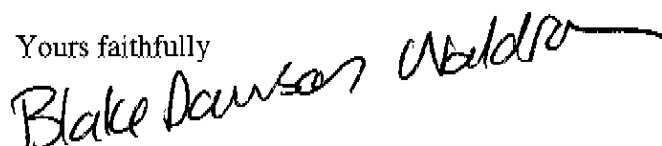
16 January 2007

**Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners
Special Situations Fund, L.P. – Notice of change of interests of substantial holder
for Fortescue Metals Group Limited (ASX:FMG)**

We act for Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners
Special Situations Fund, L.P. (**Harbinger**).

In accordance with section 671B(1) of the *Corporations Act 2001* (Cth), on behalf of
Harbert we enclose a notice of change of interests of substantial holder in relation to
Fortescue Metals Group Limited.

Yours faithfully



SYDNEY
MELBOURNE
BRISBANE
PERTH
CANBERRA
PORT MORESBY
SHANGHAI

Associated Office
JAKARTA

201646831_2

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Fortescue Metals Group Limited

ACN/ARSN 002 594 872

This notice is given by Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P., on behalf of itself and its controller Harbert Management Corporation and each of the bodies corporate controlled by Harbert Management Corporation (**HMC Entities**) named in the list of 3 pages annexed to this notice and marked A.

1. Details of substantial holder (1)

Name Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P. (and Harbert Management Corporation, Philip Falcons, Raymond Harbert and each of the HMC Entities)

ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on

12/01/07 (See also Annexure C)

The previous notice was given to the company on

1/12/06

The previous notice was dated

1/12/06

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Shares	37,861,342	14.32%	41,539,023	15.71%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
12/01/2007	Harbinger Capital Partners Master Fund I, Ltd	Registered holder in respect of 1,500,969 ordinary shares (see Annexure B) on ASX, and entry into contracts of put options for the possible acquisition of 666,500 ordinary shares (see Annexure C), and taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Special Situations GP L.L.C. in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	3,677,681 ordinary shares	3,677,681
12/01/2007	Harbinger Capital Partners Offshore Manager, LLC	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment manager of Harbinger Capital Partners Master Fund I, Ltd (See Annexure C in the Form 604 lodged with ASX on 11/08/2006); also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	3,677,681 ordinary shares	3,677,681

12/01/2007	HMC Investors LLC	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Offshore Manager, LLC; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	3,677,681 ordinary shares	3,677,681
12/01/2007	Harbinger Capital Partners Special Situations GP, LLC as general partner of Harbinger Capital Partners Special Situations Fund, L.P.	Registered holder in respect of 1,178,712 ordinary shares (See Annexure B) on ASX, and entry into contracts of put options for the possible acquisition of 333,500 ordinary shares (see Annexure C) and taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as general partner of Harbinger Capital Partners Special Situations Fund, L.P. Also taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Master Fund I, Ltd in which its associate, Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	See Annexure B	3,677,681 ordinary shares	3,677,681
12/01/2007	HMC-New York, Inc.	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Special Situations GP, LLC. Also taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Master Fund I, Ltd in which its associate, Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	3,677,681 ordinary shares	3,677,681
12/01/2007	Harbert Management Corporation	Taken under section 608(3)(a) and 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of, and voting power of more than 20% in HMC Investors LLC (and its controlled bodies corporate) and HMC-New York, Inc (and its controlled bodies corporate) and Harbert Fund Advisers, Inc; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which it (or other of its associates) has voting power of greater than 20%.	N/A	3,677,681 ordinary shares	3,677,681
12/01/2007	Harbert Fund Advisers, Inc.	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment adviser of Harbinger Capital Partners Master Fund I, Ltd (See Annexure D in the Form 604 lodged with ASX on 11/08/2006) and investment adviser of Harbinger Capital Partners Special Situations Fund, L.P (See Annexure E in the Form 604 lodged with ASX on 11/08/2006); also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	3,677,681 ordinary shares	3,677,681
12/01/2007	Phillip Falcone	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Special Situations GP, LLC and in Harbinger Capital Partners Offshore Manager, LLC.	N/A	3,677,681 ordinary shares	3,677,681
12/01/2007	Raymond J Harbert	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbert Management Corporation, Harbinger Capital Partners Offshore Manager LLC and Harbert Fund Advisers, Inc.	N/A	3,677,681 ordinary shares	3,677,681

12/01/2007	Each of HMC Investors LLC's controlled body corporates named in the list of 3 pages annexed to this notice and marked "A"	Taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	3,677,681 ordinary shares	3,677,681
12/01/2007	Each of HMC-New York, Inc's controlled body corporates named in the list of 3 pages annexed to this notice and marked "A"	Taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	N/A	3,677,681 ordinary shares	3,677,681

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Harbinger Capital Partners Master Fund I, Ltd	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Registered holder in respect of 32,985,615 ordinary shares and interested in 666,500 ordinary shares under put option contracts (see Annexure C); and taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Special Situations GP L.L.C. in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	41,539,023 ordinary shares	41,539,023
Harbinger Capital Partners Offshore Manager, LLC	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment manager of Harbinger Capital Partners Master Fund I, Ltd (See Annexure C in the Form 604 lodged with ASX on 11/08/2006); also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	41,539,023 ordinary shares	41,539,023
HMC Investors LLC	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Offshore Manager, LLC; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	41,539,023 ordinary shares	41,539,023

Harbinger Capital Partners Special Situations GP, LLC as general partner of Harbinger Capital Partners Special Situations Fund, L.P.	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Registered holder in respect of 7,573,408 ordinary shares and interested in 333,500 ordinary shares under put option contracts (see Annexure C); and taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as general partner of Harbinger Capital Partners Special Situations Fund, L.P.; also taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Master Fund I, Ltd in which its associate, Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	41,539,023 ordinary shares	41,539,023
HMC-New York, Inc.	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Special Situations GP, LLC; also taken under section 608(3)(a) of the Corporations Act to have the relevant interest of Harbinger Capital Partners Master Fund I, Ltd in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	41,539,023 ordinary shares	41,539,023
Harbert Management Corporation	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) and 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of, and voting power of more than 20% in HMC Investors LLC (and its controlled bodies corporate) and HMC-New York, Inc (and its controlled bodies corporate) and Harbert Fund Advisers, Inc; also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which it (or other of its associates) has voting power of greater than 20%.	41,539,023 ordinary shares	41,539,023
Harbert Fund Advisers, Inc.	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment adviser of Harbinger Capital Partners Master Fund I, Ltd (See Annexure D in the Form 604 lodged with ASX on 11/08/2006) and Harbinger Capital Partners Special Situations Fund, L.P (See Annexure E in the Form 604 lodged with ASX on 11/08/2006); also taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	41,539,023 ordinary shares	41,539,023
Philip Falcone	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Offshore Manager, LLC and Harbinger Capital Partners Special Situations GP, LLC.	41,539,023 ordinary shares	41,539,023
Raymond Harbert	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Offshore Manager, LLC, Harbert Management Corporation and Harbert Fund Advisers, Inc.	41,539,023 ordinary shares	41,539,023

Each of HMC Investors LLC's controlled body corporates named in the list of 3 pages annexed to this notice and marked "A"	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	41,539,023 ordinary shares	41,539,023
Each of HMC-New York, Inc's controlled body corporates named in the list of 3 pages annexed to this notice and marked "A"	Various vendors of securities on ASX, Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Harbinger Capital Partners Master Fund I, Ltd and Harbinger Capital Partners Special Situations Fund, L.P.	Taken under section 608(3)(a) of the Corporations Act to have the same relevant interest as any body corporate in which its associate Harbert Management Corporation (or other of its associates) has voting power of greater than 20%.	41,539,023 ordinary shares	41,539,023

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

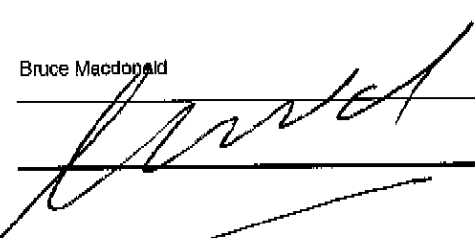
Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

6. Addressee

The addresses of persons named in this form are as follows:

Name	Address
HMC Entities	As set out in the list of 3 pages annexed to this notice and marked "A".
HMC Investors LLC	1 Riverchase Parkway South, Birmingham, Alabama 35244, United States of America
HMC-New York, Inc	16th Floor, 555 Madison Avenue, New York, New York 10022, United States of America
Harbert Management Corporation	1 Riverchase Parkway South, Birmingham, Alabama 35244, United States of America
Philip Falcone	16th Floor, 555 Madison Avenue, New York, New York 10022, United States of America
Raymond J Harbert	1 Riverchase Parkway South, Birmingham, Alabama 35244, United States of America

Signature

print name	Bruce Macdonald	capacity	Authorised Representative
sign here		date	16/1/2007

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671E(7) of the Corporations Act 2001.

- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
- (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure "A"

This is the Annexure of 3 pages marked "A" referred
to in the form 604 Notice of change of interests of substantial holder

Signed by me and dated 16 January 2007


Bruce Macdonald - Authorised Representative

HMC Investors LLC

HMC Entities

Harbert Management Corporation controls Harbert Fund Advisers, Inc, HMC Investors, LLC (whose controlled entities are listed below) and HMC-New York, Inc (whose controlled entities are listed below):

Domicile	HMC Subsidiaries	% Owned/ Interest	Reg Office
HMC Investors LLC - controlled body corporates			
Cayman Islands	Harbinger Capital Partners Offshore Fund I, Ltd	Managing Member	1
Cayman Islands	Harbert Capital Structure and Convertible Arbitrage Offshore Fund, Ltd	Managing Member	1
Cayman Islands	Harbert Emerging Markets Offshore Fund, Ltd	Managing Member	1
Cayman Islands	Harbinger Capital Partners Master Fund I, Ltd	Managing Member	1
Cayman Islands	Harbert Capital Structure and Convertible Arbitrage Master Fund, Ltd	Managing Member	1
Cayman Islands	Harbert Emerging Markets Master Fund, Ltd	Managing Member	1
United States of America	Harbinger Capital Partners Offshore Manager, L.L.C.	Managing Member	2
United States of America	Harbert CSCAF Offshore Manager, L.L.C.	Managing Member	2
United States of America	HMC Emerging Markets Offshore Manager L.L.C.	Managing Member	2
United States of America	Harbert Merger Arbitrage and Event Driven Offshore Manager, L.L.C.	Managing Member	2
Cayman Islands	Harbert Merger Arbitrage and Event Driven Offshore Fund, Ltd	Managing Member	1
Cayman Islands	Harbert Merger Arbitrage and Event Driven Master Fund Ltd	Managing Member	1
HMC-New York, Inc - controlled body corporates			
United States of America	Harbinger Capital Partners Special Situations Fund, L.P.	Managing Member	3
United States of America	Harbinger Capital Partners Special Situations GP, L.L.C.	Managing Member	3
Cayman Islands	Harbinger Capital Partners Special Situations Offshore Fund LP	Managing Member	3
United States of America	Harbinger Capital Partners Special Situations Offshore GP, LLC	Managing Member	3
United States of America	Harbinger Capital Partners Fund I, L.P.	Managing Member	3
United States of America	Harbinger Capital Partners GP, L.L.C.	Managing Member	3

Domicile	HMC Subsidiaries	% Owned/ Interest	Reg Office
United States of America	Harbert Capital Structure and Convertible Arbitrage Fund, L.P.	Managing Member	3
United States of America	Harbert CSCAF GP, L.L.C.	Managing Member	3
United States of America	Harbert Emerging Markets Fund, L.P.	Managing Member	3
United States of America	HMC Emerging Markets Fund GP, L.L.C.	Managing Member	3
United States of America	Harbert Equity Market Neutral Fund, L.P.	Managing Member	3
United States of America	Harbert Merger Arbitrage and Event Driven Fund, L.P.	Managing Member	3
United States of America	Harbert Merger Arbitrage and Event Driven GP, L.L.C.	Managing Member	3

Registered Offices

1. c/o International Fund Services (Ireland) Limited, 3rd Floor, Bishop's Square, Redmond's Hill, Dublin 2, Ireland
2. 1 Riverchase Parkway South, Birmingham, Alabama 35244 United States of America
3. 16th Floor, 555 Madison Avenue, New York, 10022, United States of America

Annexure "B"

This is the Annexure of 2 pages marked "B" referred
to in the form 604 Notice of change of interests of substantial holder

Signed by me and dated 16 January 2007


Bruce Macdonald - Authorised Representative
HMC Investors LLC

Details of Consideration

Date	Transaction	Holder of relevant Interest	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
1/12/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$952,970.74	87,254 ordinary shares	87,254
7/12/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,658,218.57	153,945 ordinary shares	153,945
14/12/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$169,208.70	14,455 ordinary shares	14,455
14/12/2006	Disposal	Harbinger Capital Partners Master Fund I, Ltd	A\$1,524,462.50	125,000 ordinary shares	125,000
14/12/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$572,500.00	50,000 ordinary shares	50,000
14/12/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$613,500.00	50,000 ordinary shares	50,000
15/12/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$618,500.00	50,000 ordinary shares	50,000
18/12/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,653,175.38	125,000 ordinary shares	125,000
10/01/2007	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,445,373.72	102,200 ordinary shares	102,200
10/01/2007	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,886,690.25	133,335 ordinary shares	133,335
11/01/2007	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$3,293,506.66	226,445 ordinary shares	226,445
11/01/2007	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$2,913,400.00	200,000 ordinary shares	200,000
12/01/2007	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$2,700,414.55	183,335 ordinary shares	183,335
1/12/2006	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$139,209.26	12,746 ordinary shares	12,746
7/12/2006	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$827,843.63	76,855 ordinary shares	76,855
13/12/2006	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$2,765,100.00	250,000 ordinary shares	250,000

Date	Transaction	Holder of relevant interest	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
14/12/2006	Disposal	Harbinger Capital Partners Special Situations Fund, L.P.	A\$169,208.70	14,455 ordinary shares	14,455
14/12/2006	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$1,524,462.50	125,000 ordinary shares	125,000
14/12/2006	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$572,500.00	50,000 ordinary shares	50,000
14/12/2006	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$613,500.00	50,000 ordinary shares	50,000
15/12/2006	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$618,500.00	50,000 ordinary shares	50,000
18/12/2006	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$1,653,175.38	125,000 ordinary shares	125,000
10/01/2007	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$722,701.00	51,101 ordinary shares	51,101
10/01/2007	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$943,309.75	66,665 ordinary shares	66,665
11/01/2007	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$1,646,789.69	113,225 ordinary shares	113,225
11/01/2007	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$1,456,700.00	100,000 ordinary shares	100,000
12/01/2007	Acquisition	Harbinger Capital Partners Special Situations Fund, L.P.	A\$1,350,170.45	91,665 ordinary shares	91,665

Annexure "C"

**This is the Annexure of 1 page marked "C" referred
to in the form 604 Notice of change of interests of substantial holder**

Signed by me and dated 16 January 2007


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Bruce Macdonald - Authorised Representative

HMC Investors LLC

On 10 January 2007 the substantial holder acquired a relevant interest to the extent that the counterparty to the following American style put option contracts has a relevant interest. To that extent the change in the interest of the substantial holder may have occurred on that date.

6,665 contracts of Fortescue MARCH 2007 PUTS w/ STRIKE of 13.5 in Harbinger Capital Partners Master Fund I, Ltd @ 0.75AUD (each contract is 100 shares)

3,335 contracts of Fortescue MARCH 2007 PUTS w/ STRIKE of 13.5 in Harbinger Capital Partners Special Situations Fund, L.P. @ 0.75AUD (each contract is 100 shares)

Details of OTC share option trade executed through Prime Brokerage Bulk Settlement with Goldman Sachs & Co on 10 January 2007:

Seller: Counterparty

Buyer: GS&Co.

Option Style: American

Option Type: Put

Underlyer Name: FORTESCUE METALS GROUP LIMITED ORDINARY FULLY PAID

Number of Options : 10,000

Option Entitlement: 100

Strike Price: AUD 13.5

Expiration Date: 16 March 2007

Exercise: STOCK

Futures Price Valuation: Not Applicable

Cash Settlement Payment Date: Not Applicable

Total Premium: AUD 750,000.00

Price Per Option : 75.00

Premium Payment Date: 16 January 2007