



**Fortescue Metals Group Ltd**

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22 March 2007

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

Dear Sir

**Pricing Commentary**

Fortescue Metals Group Ltd ("Fortescue") would like to comment on the recent increase in its share price over the last week. As stated in the release made last Friday, Fortescue is not aware of any specific reason why its share price has appreciated so strongly during the last week. The company remains in compliance with its continuous disclosure obligations.

There are however a number of general reasons that may be contributing to an overall increase in buying interest toward Fortescue stock and these are;

- i. A number of key market forecasters have made an upward revision of their projected iron ore prices for the 2008/09 year.
- ii. Fortescue was recently included in the mid cap FTSE All World Index and this may have led to an increase in buying interest as index funds seek to secure a shareholding to match their index weighting.
- iii. Fortescue believes that along with a general upwards re-rating of the iron ore sector, there is also appears to be a re-rating of its own stock as the company implements its Pilbara Iron Ore and Infrastructure Project.

Fortescue continues its practice to negotiate with various parties in regard to its normal course of stated business objectives. If such negotiations are from time to time concluded, they may lead to agreements which would have a material impact on the Company and therefore , need to be disclosed to the market. At this stage none of the negotiations are concluded and they remain incomplete and confidential.

Yours sincerely  
**Fortescue Metals Group Ltd**

**Rod Campbell**  
Company Secretary

The New Force in Iron Ore