



**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 8880  
Website: [www.fmgf.com.au](http://www.fmgf.com.au)

25 June 2007

The Companies Officer  
Australian Stock Exchange Ltd  
Exchange Plaza  
Perth WA 6000

Dear Sir,

**Clarification of Incorrect Media Report**

Fortescue Metals Group Ltd (“Fortescue”) would like to comment on the incorrect reporting of its announcement last Friday as to the 90 day extension of its Memorandum of Understanding “MOU” negotiations with Baosteel Trading Co Ltd (“Baosteel”).

Contrary to a media report in the weekend press, this mutual 90 day extension does not in any way impact on the off-take agreement with Baosteel for up to 20 million tonnes of iron ore from Fortescue’s Chichester Range mining operations. Further the extension is in no way requiring of any regulatory approval or consent – it is simply an agreement between the parties.

As announced to the market on 26 March 2007, Fortescue signed two agreements with Baosteel with one covering the hematite iron ore off-take commitment and the other a MOU for the joint development of a potential magnetite deposit. The off-take agreement was signed as a separate contract and was in final form. The agreement is completely distinct from the MOU and not referenced within the MOU.

The formalisation of the MOU into a Joint Venture Agreement is progressing well however additional time is required by both parties to ensure the details of the exploration program and general development activities are able to be more precisely defined. Under mutual agreement, the time to allow for this has been extended by up to 90 days.

Yours sincerely  
**Fortescue Metals Group Ltd**

Rod Campbell  
**Company Secretary**

The New Force in Iron Ore