



Fortescue Metals Group Ltd

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Media Release

Perth: 10 August 2007

Fortescue Chief Executive Officer Mr Andrew Forrest announced today a major local housing commitment in the Pilbara as the Company continues its battle against fly-in fly-out, socially destabilising work practices.

"Fortescue's commitment to build 250 high quality, community and environmentally friendly homes in Port Hedland is a landmark development for Fortescue and the Pilbara," Mr Forrest said.

"It directly swings the tide back against fly-in fly-out which exacts such a heavy toll against sustainable local communities and the families of all involved.

"We are now working to extend our "build local communities first" commitment where ever we have major Pilbara operations. While Port Hedland is now underway, we are also in early planning to include the communities of Newman and Tom Price as beneficiaries of this major communities first initiative."

"The Pilbara is not a short term quarry. It will sustain major wealth generation for Australians for hundreds of years. The Pilbara therefore can and must host long term, fully sustainable and high quality living Pilbara communities."

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Media Release

Fortescue Commits to Massive Community Building Program

- 250 Homes set for Hedland

Perth: 9 August, 2007: Construction of the initial 100 homes for Fortescue Metals Group Ltd (ASX: FMG; "Fortescue") has come to fruition with the signing of a Heads of Agreement with HFN Housing Group ("HFN") to build high quality residential homes in South Hedland. The next 150 homes are under detailed negotiation with HFN and other potential suppliers.

The building program honours Fortescue's commitment to ensuring the Company and its employees form an integral part of the communities they live and work in.

Under the Agreement, the homes will be built and leased back to Fortescue to be made available to its port and rail employees. Fortescue will also encourage and facilitate the outright sale of the houses to employees in a move to foster the sense of permanency in the community.

The Company is planning construction to be completed by the end of July 2008 with a total of 250 houses in the Hedland area being 25 at Pretty Pool in Port Hedland and 225 in South Hedland. Fortescue is also investigating a housing program for its mine employees in Newman.

Fortescue's Executive Director Mr Graeme Rowley said, "wherever possible Fortescue integrated its staff and operations within local communities, in preference to fly-in fly-out operations".

"Fortescue has a strong culture of seeking to work with, and become a part of, the communities in which it operates," Mr Rowley said. "That is evidenced by our close working relationships with local indigenous groups and pastoralists to develop and construct our port, mines and railways.

"Communities are not service providers to our operations, they are the backbone of them".

"We are proud of our extensive involvement in the Hedland community and have no doubt Hedland will be proud of Fortescue's investment in the district."

The homes have been designed to enhance the existing streetscape and the living comfort of the company's employees and families.

As well as improving community sustainability, the homes have also been designed to advance environmental sustainability, through the adoption and installation of energy and water efficient designs and systems.

An attractive external appearance has been designed along with high ceilings, alfresco areas, good internal and external storage, large internal living areas, efficient air conditioning, attractive kitchen and living areas, and child safe design.

The housing design and construction also recognises that employees will often be involved in shift-work, so special acoustic designs for wall construction and sound locks, together with the use of special door seals, have been used to enhance living functionality.

Black-out window shutters will also simulate complete darkness for sound sleeping during shift work.

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For more information please contact:

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About Fortescue Metals Group Ltd:

Fortescue Metals Group Ltd is the New Force in Iron Ore, with over 2.5 billion tonnes of resources, including 1.1 billion tonnes of reserves, already delineated from less than 10% of its 38,000 square kilometres of tenements, the largest holding in the Pilbara.

The company has been developing The Pilbara Iron Ore and Infrastructure Project since mid-2003 and is planning to commence shipping ore from Port Hedland in mid May 2008. The Pilbara Mining Alliance has been formed with Roche Mining to undertake the mining and processing operations. The company has off-take commitments for its entire initial production target of 45 million tonnes of iron ore per annum and has accumulated commitments for additional expansion tonnages of some 50 million tonnes per annum.

Fortescue has successfully completed two major capital raisings with A\$504 million of equity raised in July 2007 and A\$3.3 billion through a combination of debt and equity, raised in August 2006.

Fortescue is listed on the Australian Stock Exchange under the code FMG and is included in the S&P/ASX 200 and MSCI Asia-Pacific indices.

For more information on Fortescue, visit www.fmgl.com.au.

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