



Fortescue Metals Group Ltd

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Media Release

Fortescue welcomes Federal Court full bench decision

Perth: 5 October, 2007: The full bench of the Federal Court has today upheld a Federal Court judge's ruling that BHP Billiton Iron Ore's railways are not excluded by the 'production process' exemption from coverage under Part IIIA of the Trade Practices Act. The decision enables Fortescue Metals Group (ASX ticker: FMG) to press ahead with its attempts use the Act to gain access to BHPBIO's Mount Newman railway line.

In a majority decision the Federal Court judges upheld the Federal Court's original finding that the use of BHPBIO's Mount Newman railway by a third party would not be the use of a production process, and is a service as contemplated by Part IIIA.

Fortescue Metals Group executive director Graeme Rowley welcomed the Federal Court full bench judgement as another significant step in Fortescue's attempts to seek access to the railway to unlock the vast resources of the Pilbara and promote local, State and National economic growth.

"Three decisions, one by the National Competition Council and two by the Federal Court have now ruled in favour of Fortescue's attempts to gain access to a railway our planning forefathers always intended would be open to third party access," Mr Rowley said.

"However, we do expect BHP Billiton Iron Ore to appeal once again. The company has shown it will use every available legal avenue to prevent third party access to the railway line."

Fortescue is seeking to access BHP Billiton's Mount Newman line under Part IIIA of the Trade Practices Act to open its proposed Mindy Mindy project, which it owns in a joint venture with Consolidated Minerals.

Part IIIA of the Trade Practices Act is designed to promote the efficient use of infrastructure where there is surplus capacity; where it will promote competition; and, where there is a public benefit in allowing third party access.

"Fortescue's application ticks all those boxes," Mr Rowley said.

Fortescue is also currently building its own 260 kilometre railway line from its Cloudbreak mine in the Pilbara's Chichester Ranges to Port Hedland. The line is an open access line.

This decision has no impact on Fortescue's main project being the mining of iron ore from its wholly owned tenements in the Chichester Ranges and the transportation and shipping of this ore on Fortescue's wholly owned rail and port system.

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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 40,000 square kilometres of tenements, the largest holding in the Pilbara – refer announcement dated 31 May 2006 for JORC classification details.

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 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 100 and MSCI Asia-Pacific indices.

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

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