



Fortescue Metals Group Limited

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16 November 2007

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

Dear Sir

Lifting of Trading Halt

Fortescue Metals Group Ltd ("Fortescue") attaches a Press Release concerning the declaration made today of Rio Tinto's Hamersley Iron rail network in the Pilbara. Accordingly, Fortescue requests a lifting of the trading halt imposed earlier today.

Fortescue would also like to take this opportunity to refute today's press speculation of an equity investment agreement having been entered in to with a Chinese steel mill.

Yours sincerely

Fortescue Metals Group Ltd

Rod Campbell

Company Secretary

Att: Press Release



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MEDIA RELEASE

Fortescue today applied to Declare the Rio Tinto (Hamersley Iron) and BHP Billiton's (Goldsworthy) Rail Networks – Open to Third Parties

Under Part IIIA of the *Trade Practices Act*, Fortescue Metals Group Ltd ("Fortescue" "FMG:ASX") has today lodged an application with the National Competition Council seeking to declare Rio Tinto Limited's Hamersley Iron Rail Network and the BHP Billiton Goldsworthy Rail Network.

The Hamersley Iron Rail Network, and particularly the mainline running from Dampier to Tom Price, passes close to Fortescue's Solomon deposit. Yesterday Fortescue announced a project area covering one third of the Solomon deposit, which has a JORC inferred resource of more than 1 billion tonnes. Fortescue expects further resource increases from Solomon to be announced before Christmas.

The applications to declare these Rail Networks were lodged today by The Pilbara Infrastructure Pty Ltd ("TPI"), a wholly owned subsidiary of Fortescue, to enable it to offer a haulage service to third party customers, including Fortescue.

Fortescue Chief Executive Officer Andrew Forrest said "Fortescue is seeking to open the tremendous synergies available in the Pilbara to all Australian mining companies as originally foreshadowed by the iron ore industry's founding fathers.

"Their intention of an open access Pilbara was for national benefit and it was never their intent that it would become the domain of only two companies now intent on becoming one. As BHP Billiton's Managing Director, Mr Marius Kloppers correctly identified this week after announcing the proposed BHP/Rio merger, these synergies run into the billions of dollars annually.

"There are a number of stranded iron ore deposits and while the newly identified Solomon deposits has its own infrastructure solutions, like other deposits, these may not be optimal. The Hamersley rail network and the Goldsworthy rail line may assist to generate other efficiencies."

Mr Forrest said a lack of competition already exists in the Pilbara in the provision of infrastructure services, rail haulage services and the supply of iron ore. The proposed merger will only exacerbate these issues in the Pilbara to the detriment of Western Australia and the country more broadly. If and when BHP Billiton makes a formal offer for Rio and proceeds to seek merger clearance from the ACCC, we will ensure that the potential anticompetitive effects of this merger are clearly understood by the ACCC and are rigorously and fully assessed over time.

Indeed, Fortescue wrote to Mr Graeme Samuel of the ACCC and notified him that Fortescue wishes to provide information and evidence to the ACCC under Section 50 of the *Trade Practices Act* about the anticompetitive effects of the proposed merger at that appropriate time.

The Trade Practices Act allows the ACCC to review and potentially revoke an Authorisation if there has been a change of circumstances – clearly the merger is just that. Any such review by the ACCC will allow these joint arrangements to be publicly assessed from which Fortescue, and no doubt many others, will fully participate.

“The Trade Practices Act was designed specifically for this situation – to legislate for strategic services to be available for third party use, where it is in the public interest,” Mr Forrest said.

For more information contact:

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