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19 December 2007

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

Dear Sir

SOLOMON IRON ORE RESOURCES GROWING
NOW TOTALS IN EXCESS OF 1.7 BILLION TONNES (BT)

Fortescue Metals Group Ltd is pleased to announce the first estimate of Inferred Resources of iron ore totalling **700 million tonnes** (Mt) of 56% Fe for the Solomon East area comprising the eastern portion of its Solomon Project area. These resources are additional to the **1 billion tonnes (Bt)** announced for the Serenity area, 30 km to the west, in November. The Solomon Project is located approximately 60 kilometres north of Tom Price township in the Pilbara region of Western Australia.

Fortescue is continuing to drill targets in the Solomon Project area and expects to announce additional resources in the area in the first half of 2008. It is anticipated that these announcements will include some quantities of high grade bedded Brockman mineralisation.

Fortescue identified the Solomon East area as being prospective for channel iron deposit (CID) mineralisation in a valley up to 2 km wide and about 35 km in length (Figure 1). Drilling commenced in July of this year. During this drilling program it became apparent that iron mineralisation occurs in four separate geological units. Some areas of the channel have not been included in this estimate due to insufficient drilling density available at the time of the estimation. When sufficient drill data is available these parts of the Solomon East area may add a further amount of up to approximately 25% of the tonnage announced here.

The table below summarises the quantities of mineralisation estimated. For further geological detail please refer to the attached Appendix.

Table

INFERRED RESOURCE ESTIMATE – SOLOMON EAST

Ore Type	Tonnes Mt	Cut-off	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %
DID	87	52% Fe	56.5	9.1	4.6	0.043	4.3
Upper CID	310	52% Fe	56.4	6.3	2.1	0.047	9.6
Including	280	54% Fe	56.8	6.0	1.9	0.047	9.8
Lower CID	281	52.5% Fe	55.0	6.1	3.5	0.077	10.0
Bedded Iron	23	52% Fe	56.3	6.4	3.0	0.12	8.2
Total Tonnes	**702**		55.9	6.6	3.0	0.061	9.1

Yours sincerely

Fortescue Metals Group Ltd

Rod Campbell
Company Secretary

APPENDIX

Geological summary

The Solomon project area is located in the Hamersley Ranges region of Western Australia, approximately 60 kilometres to the north of Tom Price township.

Outcropping geology in the region is the Dales Gorge, Whaleback Shale and Joffre Members of the Brockman Iron Formation which are known to host large iron ore deposits within other regions of the Hamersley Ranges (bedded iron deposits or BID)

Incised into this bedrock geology are large channel systems, typically one to two kilometres in width, and stretching for tens of kilometres. During the Tertiary period weathering and erosion of the generally iron rich surrounding bedded material deposited iron ore fragments and detritus into these channels (termed Channel Iron Deposits or CID), and this material has subsequently been buried, preserved and enriched. Through Fortescue's interpretation of drill hole results, the CID deposits can be subdivided into an upper 'hard ore CID' and a lower 'ochreous CID'. Clay lenses are observed as semi-discrete bands often several metres thick, sometimes of a poddy nature although often traceable between drill holes.

The material overlying the CID material is of younger age and has also been eroded from iron rich material. This clastic material is concentrated into horizons of elevated iron grade termed Detrital Iron Deposit (or DID), which forms part of the sequence of overlying later Tertiary aged alluvials.

Exploration operations by Fortescue within the Solomon project region (RC and diamond drilling) has focussed on exploring these valley systems and has discovered large tonnages of all of these three classic Hamersley Province Iron deposit types (DID, CID and BID). In certain areas the DID's will overly a thick sequence of CID material which in turn may be underlain by BID material.

<u>Solomon East</u>

The Solomon East area covers a meandering channel, about 35 km in length and up to 2 km wide, extending from the Pilbara Iron rail line east to near the Nanutarra-Munjina road. Both the upper and lower CID horizons appear to be well developed over much of the channel. DID mineralisation is present in some parts of the overlying alluvial sequence. Only small amounts of BID (about 3% of the total resource) have been intersected within the valleys to date.

A total of 11,803 one metre samples from 432 RC holes in a single-phase drilling program were used in the Solomon East estimate. As for the earlier Serenity estimate, the drillhole spacing is based on an initial 800 x 200 m

exploration grid that has been infilled to a nominal 400 x 100m grid. The grid lines change orientation to follow the meandering channel which hosts the mineralisation represented in this resource estimate. All holes were sampled in one metre intervals and analysed by SGS Laboratories in Perth using XRF techniques.

The block model was built using 200m x 50m x 1m cells. Subcells down to 1/10th of the primary cell size were used along domain boundaries to better resolve the domain interface. Estimation was conducted using the Inverse Distance method. Basic geostatistics was conducted on each stratigraphic domain for the purposes of data and model validation. A density of 2.6 has been used throughout this deposit pending results from ongoing density drilling. This density estimate is marginally less than that known to be used in other CID deposits and is consistent with the limited data available from this area.

All drill hole data is collected and stored in digital format with appropriate validation checks to ensure integrity of the database. QA/QC techniques are those as standard for all Fortescue operations, being an average of 1 field standard per 100 samples submitted to the laboratory, and an average of 3 rig duplicates taken per 100 samples. There have also been 13 RC twin holes completed in the Solomon East area. Interpretation of results from these samples has shown an acceptably low variation in all elements studied.

12 Diamond drill holes have been completed, and metallurgical testwork has been initiated on the core in order to determine the characteristics of the mineralisation and potential for beneficiation of lower quality material.

The information in the report to which this statement is attached that relates to Mineral Resources is based on information compiled by Mr Stuart Robinson who is a Fellow of The Australasian Institute of Mining and Metallurgy and Mr Clayton Simpson who is a Member of the Australasian Institute of Mining and Metallurgy.

Both Mr Simpson and Mr Robinson are full time employees of Fortescue Metals Group Ltd and provided geological interpretations for Mineral Resource estimations and compiled the exploration results. Mr Robinson and Mr Simpson have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Both Mr Simpson and Mr Robinson consent to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Figure 1.
Solomon East Prospect
Resource Drilling 2007

0 2.5 5
kilometers

Location Map

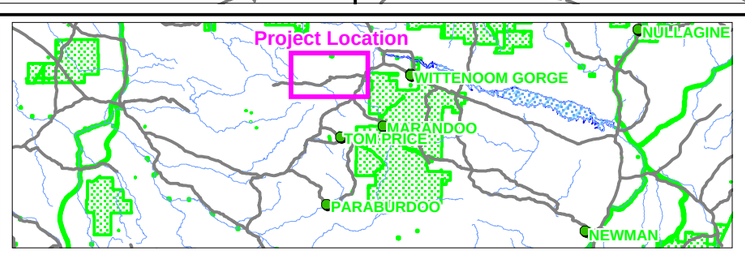
Port Hedland
Project
Kalgoorlie
PERTH

Cadastral Legend
- Roads & Tracks
- Railway line

Topographic Legend
- Ephemeral Drainage
- Topographic contour (50m)

Land Tenure
- FMG Exploration tenements (Solomon Project)
- Area excised from project tenements
- Parks & Reserves

FMG Resource Estimation
- Area with insufficient drill hole density to model (to Dec 07)
- Area of drill holes used in Resource Estimation for Solomon East (Dec 07)
- Drill hole collar location used in Solomon East Resource (Dec 07)



Datum (grid) GDA_94
Projection Zone_50

N

Fortescue Metals Group Ltd

Solomon Project Area
Solomon East Prospect

Author: CS	Date:17/12/2007
Drawn By: CS	Revision:
Dwg No:	Report No:
Scale: not to scale	Projection: MGA Zone 50 (GDA 94)