



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 8999
Website: www.fmgl.com.au

Media Release

Seamless expansion to 160mtpa production from internal funds

Perth: September 19, 2008: Fortescue Metals Group (“Fortescue” “ASX:FMG”) today announced plans to increase production to 80 million tonnes per annum in 2009.

“Funding for expansion to 80mtpa will be sourced from the Company’s strong internal cash flows generated from our consistent production, which is ramping up every day,” Fortescue Metals Group Chief Executive Officer Andrew Forrest said.

Next year’s increase to 80mtpa is the first major step in the company’s plans to expand production to 160mtpa from its Cloudbreak and Christmas Creek operations.

The company’s announcement earlier today of an increase in its reserves to 1.625 billion tonnes at Cloudbreak and Christmas Creek will underpin the 160mtpa production rate.

The rapid expansion transition from 55mtpa to 80mtpa will include the construction of an additional train unloader, ore stacker, reclaimers and shiploader at the port, and completion of the rail extension from Cloudbreak to Christmas Creek.

“The expansion from 55mtpa to 80mtpa, and then sequentially to 160mtpa, is a sensible and seamless expansion to our current infrastructure utilising internal funding,” Mr Forrest said

Part of the extra revenue derived from an 80mtpa production rate would be used to fund steady expansion up to 160mtpa, he said.

“Our contractors, who have helped build the 45-55mtpa project, are not demobilising their construction workforce but are now beginning work on the next expansion stage as we move confidently forward expanding from internal cash reserves.”

Ends

Media contact:

Paul Downie
Porter Novelli – Perth
Phone: 08 9386 1233
Mobile: 0414 947 129

Cameron Morse
Porter Novelli – Perth
Phone: 08 9386 1233
Mobile: 0433 886 871