



Fortescue Metals Group Ltd

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Media Release

Third-party rail access wins Federal Government support

Perth: October 27, 2008: Federal Treasurer Wayne Swan today accepted a recommendation from the National Competition Council ("NCC") to declare the Robe River, Hamersley and Goldsworthy rail lines open for third party access under Part IIIA of the Trade Practices Act.

Fortescue Metals Group ("Fortescue" "ASX:FMG") subsidiary The Pilbara Infrastructure ("TPI") lodged an application to the NCC to declare the Hamersley rail line in November 2007 and the Robe River and Goldsworthy lines in January 2008.

"The economic, social and environmental arguments for opening the rail lines to third party access are compelling. We are pleased Treasurer Wayne Swan has accepted the National Competition Council's recommendation to declare the rail lines," Fortescue Executive Director Operations Graeme Rowley said.

"This is a great decision for Fortescue, for junior miners and for Australia's export revenue and the economic and social dividends it provides.

"We are now looking forward to negotiating commercial access terms with Rio Tinto and BHP Billiton rather than wasting more money on costly legal appeals."

One of the criteria to gain third party access to infrastructure under Part IIIA of the Trade Practices Act is that it must have economic significance.

"The ability to transport ore efficiently will contribute to Australia's export revenue and the benefits that the community and society derive from that revenue, so will provide real public benefits," Mr Rowley said.

"BHP Billiton and Rio Tinto continue to enjoy significant taxpayer subsidies as part of their undertaking to the State Government to allow access to the rail line. The time has come now for us all to work together.

"Fortescue has proved with its own rail line that you can successfully build and operate an open access rail line to enable the utilisation of Australia's rich minerals and to prevent the stranding of deposits and the resultant economic loss."

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About Fortescue Metals Group Ltd:

Fortescue Metals Group Ltd is the New Force in Iron Ore, with over 4.2 billion tonnes of resources, including 1.65 billion tonnes of reserves, already delineated from less than 20% of its 69,000 square kilometres of Western Australian tenements, the largest holding in the Pilbara (refer announcement dated 19 September 2008 for JORC classification details of Reserves).

The company has been developing The Pilbara Iron Ore and Infrastructure Project since mid-2003 and commenced shipping ore from Port Hedland in mid May 2008. It achieved project completion on 18 July 2008. The company has off-take commitments for its entire initial production target of 55 million tonnes of iron ore per annum and has accumulated commitments for additional expansion tonnages of some 100 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 50 and MSCI Asia-Pacific indices.

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