



## 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 8880  
Website: [www.fmgf.com.au](http://www.fmgf.com.au)

# Media Release

## Call for Rail Co-operation Agreement

**Perth: October 28, 2008:** Fortescue Metals Group (“Fortescue” “ASX:FMG”) has today written to BHP Billiton Iron Ore and Rio Tinto Iron Ore seeking a Rail Co-operation Agreement (“RCA”) between the three companies to increase Australia’s export efficiency by utilising each other’s Pilbara rail networks.

Fortescue Executive Director Graeme Rowley said Federal Treasurer Wayne Swan’s decision yesterday to declare the Hamersley, Robe River and Goldsworthy railway lines provided an unambiguous signal from the Federal Government that the companies should share infrastructure to provide significant benefits to Australia and Australians.

“Our letter indicates we look forward to not only negotiating with BHP Billiton and Rio Tinto to access to their rail lines, but negotiating their access to our rail lines. This will allow Australia to regain market share from our international competitors who are now generating significant revenue at Australia’s expense,” he said.

“Fortescue indicated that if port co-operation opportunities could be identified with Rio Tinto and BHP Billiton, Fortescue would welcome access opportunities.”

Mr Rowley said an RCA would not only reduce Fortescue’s expansion costs to achieve its targeted 160 million tonnes per annum (“Mta”) production rate it would reduce BHP Billiton’s and Rio Tinto’s expansion costs substantially. Plus it would enable smaller miners and State and Federal Governments to generate untapped revenue from previously stranded deposits.

“The ability to utilise and expand rather than duplicate existing infrastructure is even more important given the current upheaval in world financial markets,” he said.

“Fortescue continues to closely monitor and manage its operations and expansion projects. Our customers continue to order and pay for Fortescue’s iron ore due to the superior processing characteristics of Fortescue’s Rocket Fines, while we closely manage expenditure on the engineering design of the staged expansion project from 55Mta to 80Mta as part of this prudential oversight.

“Large front-end expansion expenditure costs have been identified and deferred enabling some WorleyParsons personnel to be redeployed on other projects. This dovetails with an RCA for Fortescue, as well as potentially supporting Rio Tinto and BHP Billiton to manage their expansion plans in a difficult market.

“We remain intent on reaching our 80Mta first stage expansion in the 2009/10 financial year and our 160Mta ambition as quickly as possible. BHPB Iron Ore have similar expansion plans and sharing rail could save the companies in excess of A\$1 billion.”

### Media inquiries: FD Third Person – Perth

Paul Downie  
Phone: 08 9386 1233  
Mobile: 0414 947 129

Cameron Morse  
Phone: 08 9386 1233  
Mobile: 0433 886 871

The New Force in Iron Ore