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.fmgl.com.au**

26 November 2008

The Companies Officer
Australian Securities Exchange Ltd.
2 The Esplanade,
Perth, WA, 6000

Dear Sir

Loading Recommences after Expansion Shut Down
Mining to finish Calendar Year Strongly
Shipping to put in a Solid Performance Despite the Shut

Fortescue Metals Group ("Fortescue") advises that it is has concluded the port shut down. The first vessel following the shut docked at the Herb Elliott Port yesterday and loading has commenced. The primary purpose of the port shut was to extend the ship loader rail and conveying system to enable it to service both berths and this has been successfully completed. The only outstanding work in the commissioning of the second berth for active loading is to complete the last berthing pylon. This will be done over the next few weeks without disruption to the shipping program.

The completion of the twin berth loading system is part of the optimization program required to take Fortescue's infrastructure capacity from the current 45 million tonnes per annum (Mta) to the targeted 55Mta.

The target for mining over the 2008 calendar remains at around 20 million tonnes with volumes progressively ramping up in line with Fortescue's production schedule.

With loading now recommenced, Fortescue is better able to assess shipping tonnages for the remainder of the calendar year. The revised target range is 15 – 16 million tones which is considered most satisfactory given the shipping time lost due to the Expansion Shut Down which was required to accommodate the mine ramp up. It is only four months since Project Completion was achieved and Fortescue is still in its commissioning year. The completion of the port expansion shut down will provide for a strong ramp-up position going into 2009.

The mining program will also be boosted by the incorporation of the de-sand plant to assist in reducing the alumina content of mined ore from sections of the Cloudbreak deposit. Work is progressing on preparation for commissioning of the plant which is scheduled to start in early December.

The recent tightening of demand in China has resulted in a far more discerning market for product impurities which in turn has resulted in much greater selectivity for low alumina mining. As noted in the November 10 release, this has been a cause of the slower ramp up within Fortescue's processing operations.

In the context of marketing, Fortescue confirms that not only the quantity but also the quality of our iron ore continues to be well received in China. All 70 shipments made to date have been accepted by our customers without any quality penalties as our ore is within the contracted specifications.

The production ramp up to 55Mta will also be assisted by the commissioning of the lump circuit scheduled for early 2009. The current market conditions that favour low alumina, fines only production, have lessened the urgency to bring the lump circuit into production. However going forward, the current benchmark record pricing premium of 39% for lump over fines product is expected to narrow as part of the 2009 benchmark price settings. Accordingly, the demand for lump is expected to return to more normal conditions for 2nd quarter 2009 which is the period that Fortescue plans to be at the run rate of 55Mta.

Yours sincerely
Fortescue Metals Group Ltd

Rod Campbell
Company Secretary