



Fortescue Metals Group Ltd

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16 December 2008

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

Dear Sir

Shipping Contracts Update

Fortescue Metals Group Ltd ("ASX:FMG" "Fortescue") advises that further to previous announcements regarding the suspension and/or delays of certain shipping contracts, it is continuing its review of the legal status of such contracts.

Fortescue sought legal advice prior to taking its decisive action under the contracts and will continue to do so in the prudent management of this issue.

Each of the ten (10) contracts that have been actioned, need to be considered on their specific facts and merits as Fortescue will use all the appropriate legal mechanisms for determining the disputes that have arisen between some of the parties and any future disputes that may arise. Fortescue will continue to update the market if there are any material developments.

Yours sincerely

Fortescue Metals Group Ltd

Rod Campbell
Company Secretary