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Media Release

Project Developments

Commencement of Mining at Christmas Creek

Perth: February 24, 2009: Fortescue Metals Group (“ASX:FMG” “Fortescue”) advises that mining has commenced at its Christmas Creek deposit in the Pilbara.

The first overburden blast on 21 February signals the commencement of mining and the start of Fortescue’s integrated mine operations where ore from the new operation at Christmas Creek will be blended with product from the established Cloudbreak mine.

Under Fortescue’s mining operations timetable, waste material will be removed over the next month before mining of the exposed ore body begins in late March. It is expected that mined ore will be available for transporting to the Cloudbreak Ore Processing Facility (OPF) during May 2009.

The first Christmas Creek mining area is approximately 55 kilometres to the east of the Cloudbreak OPF. In total the Christmas Creek area represents a significantly larger deposit than Cloudbreak, holding a current reserve estimate of 997 million tonnes compared to Cloudbreak at 628 million tonnes (full details of the Reserve Estimate were provided in the release dated 19 September 2008).

Initially the Christmas Creek mined ore will be transported by road train to the Cloudbreak OPF. Longer term it is planned that a rail spur line will be completed from Cloudbreak to Christmas Creek and the mine will become part of the integrated port, rail, mine system.

“The start of mining at Christmas Creek will be of great benefit to Fortescue’s overall operation as it provides enhanced flexibility to the mine plan as well as giving the marketing team more product blending options,” Head of Operations Mr Paul Hallam said.

Exploration Update

Fortescue’s exploration program continues to strike success with another raft of encouraging drilling results from a new potential project area located approximately 25 kilometres north of Newman and called “Horatio”.

Late in 2008, Fortescue drill tested three separate targets on the Horatio prospect with a total of 22 RC holes. Assays have been received for nine of these holes. Two of the targets had been drilled by a previous explorer with some mineralised results.

The New Force in Iron Ore

At Horatio South, assays are available for three of the five holes drilled by Fortescue. All holes have returned mineralised intercepts with the highlight being 34 m from 2 m of 61% Fe, 3.14% SiO₂, 1.81% Al₂O₃, 0.196% P and 5.50% LOI. The only hole drilled by a previous explorer returned 18 m from 4 m at 60.3% Fe, 6.05% SiO₂, 3.63% Al₂O₃, 0.08% P and 3.49% LOI. These two holes are over 1.6 kilometres apart, with the other two mineralised holes in between and the system is open at both ends.

At Horatio North, assays have been received for three of the seven holes drilled and results are available for four holes drilled by the previous explorer. Best intercepts are 55 m from 28 m of 59.3% Fe. Mineralised drill intercepts have been recorded over a strike length of four kilometres and the system appears open at each end.

Further geological field studies are required to confirm the detailed geology of the areas and controls on mineralisation.

Only three holes with assays are available from drilling of 10 holes at the Punda target. None of these three recorded mineralisation.

Fortescue is also finalising an updated resource estimate for its Solomon project. Almost all assays from the 2008 drilling campaign have been received and the updated resource estimate, due next month, is expected to reveal resources in the Solomon East area in excess of one billion tonnes with more than half of that amount classified as Indicated.

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The information in the report to which this statement is attached that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Stuart Robinson who is a Member of The Australasian Institute of Mining and Metallurgy .

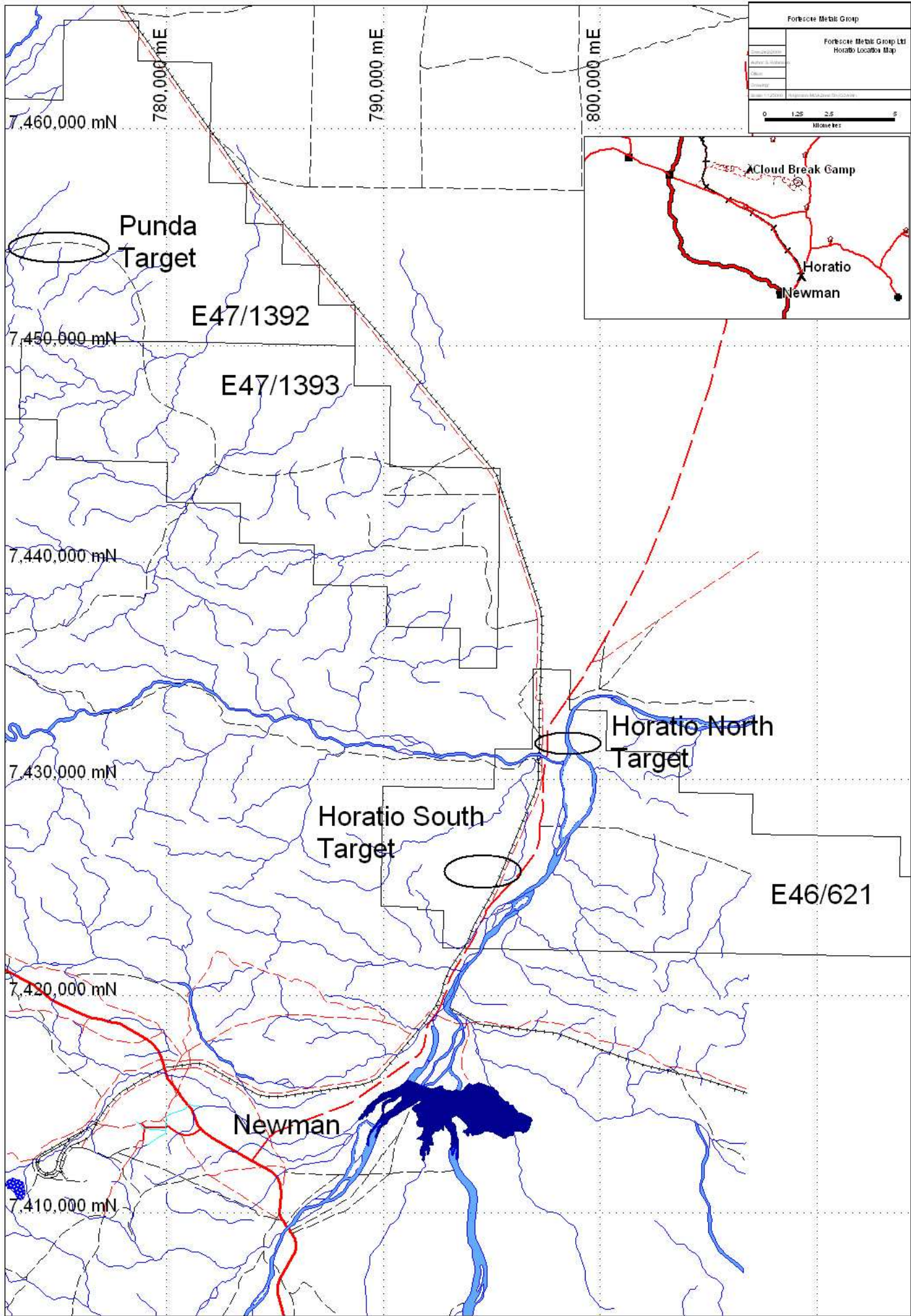
Mr Stuart Robinson is a full time employee of Fortescue Metals Group Ltd and provided geological interpretations for Mineral Resource estimations and compiled the exploration results. Mr Robinson, who is a Fellow of The Australasian Institute of Mining and Metallurgy, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Robinson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

TABLE – HORATIO EXPLORATION DRILLING

Hole #	Easting	Northing	Interval	Thickness	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
HR 001	798040	7431020	28 – 83 m	55 m	59.3	3.52	3.89	0.187	6.74
HR 002	797970	7430975		22 m	57.5	5.71	4.02	0.151	6.84
HR 006	800750	7430750	8 – 15 m	7 m	57.8	7.06	3.14	0.109	6.76
			19 – 24 m	5 m	58.6	6.81	2.77	0.111	6.26
HR 010	794520	7426040	0 – 13 m	13 m	59.1	7.51	2.56	0.100	4.57
HR 011	794565	7426100	44 – 50 m	6 m	58.3	8.94	2.84	0.093	4.35
HR 012	793800	7426480	2 – 36 m	34 m	61.0	3.10	1.82	0.197	5.52
EF 022	797370	7431270	28 – 50 m (eoh)	22 m	58.0	2.8	4.07	0.165	8.30
EF 023	796880	7431330	12 – 20 m	8 m	61.7	1.9	3.84	0.132	5.03
			22 – 32 m (eoh)	10 m	59.2	2.3	5.62	0.137	6.59
EF 050	798060	7431050	6 – 24 m	18 m	59.4	3.47	3.50	0.132	6.70
			30 – 38 m	8 m	58.4	2.94	4.80	0.197	7.48
			40 – 48 m	8 m	59.7	3.45	3.80	0.150	6.78
EF 051	796880	7431270	28 – 56 m	28 m	58.3	3.48	5.07	0.186	6.95
			58 – 70 m	12 m	58.4	4.70	4.31	0.150	6.40
EF 052	795580	7425570	4 – 22 m	18 m	60.3	6.05	3.63	0.080	3.49

Notes

1. All location co-ordinates are MGA94 Zone 50.
2. Holes HR 001 to 023 (inclusive) were drilled by Fortescue.
3. Holes EF 022, 023, 050, 051 and 052 were drilled by a previous explorer. Drilling and sampling methodologies are considered to meet JORC guidelines.
4. Holes HR 001 to 007 (inclusive) and EF 022, 023, 050 and 051 were drilled into the Horatio North target
5. Holes HR 008 to 012 (inclusive) and EF 052 were drilled into the Horatio South target
6. Holes HR 014 to 023 (inclusive) were drilled into the Punda target



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Horatio Location Map

Scale: 0 1.25 2.5 5 Kilometres

