



**Fortescue Metals Group Ltd**

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**Media Release**

**Federal Treasurer approves  
Valin application to invest in Fortescue**

**Perth: March 31, 2009:** In a landmark day for Fortescue Metals Group (“ASX:FMG” “Fortescue”), the Foreign Investment Review Board (“FIRB”) and Federal Treasurer Wayne Swan today granted clearance to Hunan Valin Iron and Steel Group Company Ltd (“Valin”) to become a major shareholder in Fortescue.

“Today’s Commonwealth Government approval enhances the already strong relationship between Australia and China,” Fortescue Chief Executive Officer Andrew Forrest said.

“Fortescue has always enjoyed close and mutually rewarding relationships with Chinese companies and Valin’s investment in Fortescue exemplifies and rewards the co-operative approach we have taken.”

Valin’s investment application has been submitted for regulatory approval from China’s regulatory authorities, approval both Valin and Fortescue are confident they will receive.

Once approved, Fortescue will issue 260 million new shares to Valin, at a purchase price of A\$644.8 million.

The combination of the share placement and the previously announced purchase of 275 million shares from an existing shareholder will extend Valin’s stake in Fortescue to 17.4 per cent of the company.

This remains below the 17.55 standstill maximum shareholding agreement agreed between Fortescue and Valin as part of the original Share Subscription Agreement.

Mr Forrest said the funds raised through the Valin placement would provide extra strength to Fortescue’s balance sheet as the company consolidates its base 55 million tonne per annum infrastructure platform.

“This is a great result for Fortescue, Valin and the Australian and Chinese economies,” Mr Forrest said. “China now has an investment in a great Australian company and Fortescue has a strong investor which is determined to see the company grow and prosper.”

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**About Fortescue Metals Group Ltd**

Fortescue Metals Group Ltd is the New Force in Iron Ore.

The company shipped its first load of iron ore in May 2008, and is already Australia's third largest iron ore producer.

That production is backed by more than 4.5 billion tonnes of iron resources, including 1.6 billion tonnes of reserves, already delineated from less than 10% of its 73,000 square kilometres of tenements in the Pilbara region of Western Australia. The company boasts the largest holding in the Pilbara.

Fortescue 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.fmgj.com.au](http://www.fmgj.com.au).