

24 August 2012



The Companies Officer  
ASX Limited  
2 The Esplanade  
Perth WA 6000

Dear Sir

### **Agreement for fifth berth at Port Hedland**

Fortescue Metals Group (ASX: FMG, Fortescue) has reached agreement with the Port Hedland Port Authority (PHPA) and the West Australian Government to develop a fifth berth at Anderson Point.

Fortescue CEO Nev Power said he was delighted that Fortescue could now move forward with the full development of its port facilities.

“It’s fantastic that the PHPA and the State Government have now agreed to allow our fifth berth to proceed which we believe will improve the efficiency of the port for all users,” Mr Power said.

He said Fortescue believes total port capacity can be increased beyond the current cap of 495mtpa by working with the PHPA and other users.

“The fifth berth will allow us to further develop our highly successful and efficient lay-by berth configuration. It will lead to the more efficient use of the inner harbour capacity by providing the PHPA with greater flexibility to improve the movement of ships,” Mr Power said.

“The fifth berth will enable us to maximise the use of the under-utilised capacity of the Port, which is a benefit to all parties, including the State which will receive increased royalty income.”

Mr Power concluded: “Given the delay in reaching this agreement, we now need to develop a schedule to integrate the construction of the fifth berth into our works program.”

Fortescue has already exported more than 160mt, including 4mt of third party iron ore, from the Herb Elliott Port.

Minister for Mines and Petroleum Norman Moore officially opened Fortescue’s third berth at Herb Elliott Port in May 2012 and construction of its fourth berth is expected to be completed in the March quarter 2013.

The costs of a fifth berth, expected to be approximately \$250 million, are not currently included in the infrastructure budget for the expansion to 155mtpa. The ultimate cost of the project will be influenced by remobilisation charges.

Yours sincerely

**Fortescue Metals Group Ltd**

**Mark Thomas**

Company Secretary

**Media Contacts:**

Nathan Vass

0405 040 133

[nvass@fmgl.com.au](mailto:nvass@fmgl.com.au)

Yvonne Ball

0417 937 904

[yball@fmgl.com.au](mailto:yball@fmgl.com.au)