

13 June 2012

The Companies Officer ASX Limited 2 The Esplanade Perth WA 6000

Dear Sir

## FORTESCUE AND BAOSTEEL MERGE INTERESTS IN FMG IRON BRIDGE

Under an agreement signed in Shanghai today Baosteel, one of China's largest steel producers, and Fortescue Metals Group Ltd (ASX: FMG, Fortescue) will consolidate their interests in the Glacier Valley and Northstar mining leases into FMG Iron Bridge Ltd. Following completion of the transaction Fortescue will own 88% and Baosteel will own 12% of FMG Iron Bridge a Hong Kong based subsidiary of Fortescue.

The Northstar (previously 100% Fortescue) and Glacier Valley (previously 65% Fortescue, 35% Baosteel) magnetite deposits have a total JORC compliant resource of 3.2 billion tonnes (refer ASX release dated 16 January 2012).

Fortescue's Chief Executive Officer Nev Power said, "This agreement consolidates one of the world's most prospective magnetite projects taking into account its massive scale and close proximity to both customers and rail and port infrastructure".

The transaction is subject to approval by the Australian Foreign Investment Review Board (FIRB) and Chinese State-Owned Assets Supervision and Administration Commission (SASAC)

Yours sincerely

**Fortescue Metals Group Ltd** 

**Mark Thomas** 

**Company Secretary** 

Media contact:

Yvonne Ball

Phone: +61 417 937 904