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The Companies Officer
Australian Stock Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000



Dear Sir

FORTESCUE CELEBRATES COMPLETION OF US\$2.4 BILLION PORT EXPANSION, LIFTING EXPORT CAPACITY TO 155MTPA

Fortescue Metals Group Ltd (ASX: FMG, Fortescue) today celebrates the completion of a US\$2.4 billion expansion of its port facilities in Port Hedland.

WA Treasurer and Minister for Transport Troy Buswell will officially open Fortescue's fourth berth at Herb Elliott Port, which represents the last major component of an expansion that has lifted Fortescue's export capacity to 155 million tonnes per annum. It takes Fortescue another crucial step closer to completing its US\$9 billion expansion to triple production capacity across its mine, port and rail operations by the end of calendar year 2013.

Fortescue Chief Executive Officer Nev Power said the dedication and commitment of Fortescue's development team and its contracting partners, including WorleyParsons, which was awarded the engineering, procurement and construction management (EPCM) contract in April 2011, meant the US\$2.4 billion port expansion was constructed within Fortescue's revised schedule and within budget.

"Today, we've taken a significant step towards the completion of our expansion to 155 million tonnes per annum," Mr Power said. "Our world-class infrastructure at Herb Elliott Port will support a substantial increase in shipments of ore from our Pilbara operations to customers in China and South East Asia. We're only months away from completing the final leg of our expansion, the construction of our 40 mtpa Kings mine at Solomon. This will see Fortescue complete its major investment and construction phase and embark on a new era as a highly efficient, low cost operator of world-class mines, port and rail assets across the Pilbara."

The US\$2.4 billion port expansion included the construction of two new berths, a second and third outloading and inloading circuit, two shiploaders, two reclaimers, one stacker, two train unloaders, 15.5 kilometres of conveyor systems, transfer stations, drive stations, two sample stations, power and control systems and associated infrastructure.

Fortescue Chairman Andrew Forrest said the fourth berth had been named the Nick Sexton Berth after a much loved member of the Fortescue family. Nick, who played a vital role in the development of Fortescue's port facilities, passed away earlier this year. "Nick was an integral member of our Port Expansion team in Perth and Port Hedland and instrumental in the design of the fourth berth," Mr Forrest said. "He embodied everything I love about Fortescue. He cared for his teammates and was a great source of inspiration and encouragement for all of us."

Fortescue will utilise its priority allocation and available D class capacity at the port to export 155mtpa. Since Fortescue loaded its first commercial shipment of iron ore for delivery to Baosteel in 2008, the company has exported more than 250 million tonnes to customers in China and South East Asia, including in excess of 11 million tonnes for third parties.

More than six million man hours were spent constructing the two new berths for the expansion to 155mtpa with only one lost time injury during this period. It has resulted in a total lost time injury frequency rate (LTIFR) of 0.15, well below the Western Australian average. The total recordable injury frequency rate (TRIFR) was less than four per million hours worked, which demonstrates Fortescue and its partners' commitment to safety throughout the expansion work.

Fortescue has received approval to construct a fifth berth at Herb Elliott Port, which will allow the company to further develop its highly successful and efficient lay-by berth configuration. Fortescue expects to begin the construction of a fifth berth later this year.

Yours sincerely

Fortescue Metals Group

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