

Media Release



Fortescue opens Metallurgical Centre of Excellence in Newman

Newman, 15 August 2012: Fortescue Metals Group (Fortescue) today opened its Metallurgical Centre of Excellence in the heart of Western Australia's Pilbara region.

Fortescue Chairman Andrew Forrest and Chief Executive Officer Nev Power joined Professor Deqing Zhu from Central South University in Changsha, China at the Eamon Hannon Complex in Newman to open the facility.

Professor Zhu, an expert in Chinese sintering and pelletising, has worked closely with Fortescue since 2006, providing technical support as the company developed and refined product lines for its Asian customers.

The Eamon Hannon Complex has been home to Fortescue's exploration, resource development activities and test laboratories since early 2005.

The new \$15 million centre will house Fortescue's research into metallurgical processes and development of iron ore products across all of its current and future operations.

The facility will also provide a base from where Fortescue will collaborate with steel mills, ore processing vendors, suppliers and technical institutions to find new innovative ways of processing to reduce cost, increase yields and extract maximum value from its orebodies.

Mr Power said Fortescue's significant investment in the centre underscored the company's commitment to improving its existing products and developing new high quality products in partnership with customers and suppliers.

"The iron ore market remains competitive and being at the cutting edge of new technology and developments is imperative," Mr Power said. "This centre sharpens that edge for us. We've given our people the best possible technology and a great new facility."

Fortescue's high grade and quality iron ore products have been strongly received by the market since the company shipped its first cargo to China in 2008. The Metallurgical Centre of Excellence will ensure Fortescue continues to deliver its sought after products as well as introduce new products as it expands its operations in the Pilbara.

Mr Forrest said Fortescue had established itself as a compelling alternative supplier for steel mills with products from its Cloudbreak and Christmas creek mines. The company has also received positive feedback about its new products from the Solomon mine currently under construction.

"Our Metallurgical Centre of Excellence will ensure we continue to meet the needs of our customers as we triple our production of iron ore over the next 12 months," Mr Forrest said.

Fortescue currently produces more than 55 million tonnes per annum (mtpa) of iron ore from its Christmas Creek and Cloudbreak mines. An expansion currently underway will increase the capacity from both mines to 90mtpa by the end of 2012. The addition of 60mtpa from the Solomon mine, together with 5mtpa from the BC Iron joint venture, will lift Fortescue's total production to 155mtpa by mid-2013.

The Metallurgical Centre also reflects Fortescue's intention of creating a vital, long term presence in Newman with up to 20 Fortescue employees operating the facility.

Fortescue opened a community office in Newman earlier this year and intends to open a Vocational Training Employment Centre (VTEC) to train Aboriginal people to be job-ready. Fortescue's VTEC programs provide training and support for Aboriginal people with a guaranteed job when they successfully complete the course. Fortescue currently has 422 Aboriginal employees, representing about 10% of its total workforce.

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