



28 March 2014

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

Dear Sir

FORTESCUE OPENS KINGS VALLEY PROJECT AND CELEBRATES COMPLETION OF 155MTPA EXPANSION

Fortescue Metals Group (ASX:FMG) today celebrated the official opening of its 40 million tonne per annum (mtpa) Kings Valley project at the Solomon Hub, marking the completion of the US\$9.2 billion expansion of its Pilbara operations.

The completion of Kings Valley, 60 kilometres north of Tom Price, has lifted Fortescue's production capacity to 155mtpa, affirming the company's position as a reliable and competitive supplier of iron ore to customers throughout Asia. The project was officially opened today by West Australian Governor, His Excellency Malcolm McCusker AC CVO QC, at an event attended by the Prime Minister's representative, The Honourable Bob Baldwin MP, Parliamentary Secretary to the Minister for Industry.

"Today marks one of the most important milestones in Fortescue's history," Fortescue Chairman and Founder Andrew Forrest said. "We announced a major expansion of our port, rail and mining operations in November 2010 and set ourselves the ambitious target of completing the projects by June 2014. Today we are celebrating an extraordinary achievement that is testament to the hard work and commitment of everyone at Fortescue, and the thousands of people who worked on these projects."

The US\$9.2 billion expansion included the construction of the greenfields Solomon Hub in the Hamersley Ranges, one of the world's largest iron ore developments comprising Kings Valley and the nearby 20mtpa Firetail mine; an expansion of the Christmas Creek mine to 50mtpa; and major extensions of Fortescue's world class port and rail facilities.

Fortescue Chief Executive Officer Nev Power said the Solomon Hub represents a valuable new source of low cost production for Fortescue with its low strip ratios playing an important role in reducing the company's overall operating costs. "The Firetail and Kings Valley projects have evolved Fortescue's product mix. Channel Iron Deposit (CID) ore produced from Kings Valley will become a new stand-alone product while ore from Firetail is blended with Chichester ores to create the well-received Fortescue Blend."

Mr Power said Fortescue's support for local industry and jobs was evident with 86 per cent of the money spent on the Kings Valley project going to Australian suppliers. "An integral feature of the success at Solomon is the way we have integrated employment and sustainable business opportunities for Aboriginal people to break the cycle of disadvantage. Fortescue and its contracting partners have awarded 22 contracts and sub-contracts at Solomon to Aboriginal-owned businesses worth a combined value of \$583 million.

"A total of 175 Aboriginal people work at the Solomon Hub for Fortescue and its contracting partners, including 44 graduates of Fortescue's Vocational Training and Education Centre (VTEC) in Roebourne."

Fortescue directly employs 525 Aboriginal people, which represents about 13 per cent of its total workforce, an additional 520 Aboriginal people work with Fortescue's contractors.

Solomon Fast Facts:

- more than 2000 people were employed during peak construction
- 17 million cubic metres of earth was moved
- 115,000 cubic metres of concrete was poured
- 45,000 tonnes of steel was used to build the two ore processing facilities, crushing hubs and overland conveyors
- the Kings Valley ore processing facility was built in record time, taking only 179 days from the assembly of first steel to completion of construction

Yours sincerely

Fortescue Metals Group

Mark Thomas

Company Secretary

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Fortescue can supply photographs and video from the Kings event. For specific requests please contact Yvonne Ball or Byron Vale, bvale@fmgl.com.au, 0415 566 976