



Fortescue Metals Group Ltd
Fortescue House
50 Kings Park Road West Perth
Western Australia 6005
PO Box 910 West Perth Western Australia 6872

Telephone: + 61 8 9266 0111
Facsimile: + 61 8 9266 0188
Website: www.fmg.com.au

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The Companies Officer
Australian Stock Exchange Ltd.
Exchange Plaza, 2 The Esplanade
Perth, Western Australia 6000

Dear Sir,

Positive NCC Decision on Newman to Port Hedland Rail Declaration Process

As advised to the ASX, in June 2004, Fortescue Metals Group Limited (“FMG”) sought to Declare the service provided by the Mount Newman railway line (which is a heavy haul railway running from Newman to Port Hedland) pursuant to Part IIIA of the Trade Practises Act. In response BHP Billiton Iron Ore (“BHPBIO”) sought to have the proposed review by the National Competition Council (“NCC”) terminated on the basis that the railway line was part of its production process and therefore exempt from Trade Practice’s Act consideration.

However in the formal advice issued by the NCC today they have effectively rejected the “production process” claim made by BHPBIO and they have determined that they will review FMG’s application. (www.ncc.gov.au)

Whilst FMG has every expectation that BHPBIO will attempt to appeal this decision of the NCC, FMG has anticipated such course of action and will deal with it appropriately.

FMG believes this to be a landmark decision in regards to its specific desire to access the rail line to facilitate the transport of ore from its Mindy Mindy joint venture site to Port Hedland and more generally in regards to the opening up of infrastructure services within the broader Pilbara Region.

Over and above this Declaration process, which relates specifically to its Mindy Mindy joint venture project, FMG is separately progressing with its Definitive Feasibility Study for its own infrastructure project (rail and port) under its recently granted State Agreement. This project incorporates an open access transport link to move ore from FMG’s wholly owned tenement sites along the Chichester Range in the east Pilbara to its planned port facilities at Anderson Point.

Yours sincerely
Fortescue Metals Group Ltd

Rod Campbell
Company Secretary