



FORTESCUE METALS GROUP LTD

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8 December 2003

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

Dear Sir

Iron Ore Sales Commitments

FMG is pleased to announce that it has secured Memoranda of Intent from international steel mills for long term contracts to purchase 25 million tonnes per annum. This already accounts for over 60% of the targeted annual sales of 40 million tonnes (net FMG share). These substantial agreements represent the confidence held by the global steel community in FMG's infrastructure and iron ore projects.

At the invitation of the China Iron and Steel Association, the company last week presented its integrated iron ore and infrastructure project to thirty (30) steel mills in Maanshan, Anhui Province, China over a two day period. The company's plans and assets were highly regarded. FMG was encouraged to explore all avenues to fast track the development of the infrastructure and iron ore projects.

FMG is now confident that it has established a market for its iron ore products and will continue to relentlessly progress the project, to supply its customers in the shortest possible time.

Yours faithfully

FORTESCUE METALS GROUP LTD

Chris Catlow
Chief Financial Officer

Philip Kirchlechner
Head of Marketing