



Fortescue Metals Group Ltd

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12 February 2004

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

Dear Sir/Madam,

### **Major Iron Ore Sales Commitment**

FMG is pleased to announce that it has finalized a Memorandum of Understanding (“MOU”) with Shanghai Baosteel Group Corporation (“Baosteel”) for a long term sales commitment of 3 million tonnes per annum for 25 years. The MOU also includes an intent for close cooperation between FMG and Baosteel, including investment. The clear expression of support by Baosteel for the Pilbara Iron Ore and Infrastructure Project is a major milestone in the path towards the creation of the next major independent iron ore supplier to the world steel industry.

Baosteel is China’s largest steelmaker and China’s largest importer of iron ore.

The Baosteel agreement brings FMG’s tonnage under MOU long term sales agreements to almost 80% of initial production.

Yours sincerely,

**Philip Kirchlechner**  
**Head of Marketing**

**Chris Catlow**  
**Chief Financial Officer**

The New Force in Iron Ore