

1 October 2012



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

Dear Sir

### **Fortescue commissions second ore processing facility at Christmas Creek**

Fortescue Metals Group has marked another milestone in its expansion to 115 million tonnes per annum with the introduction of first ore through the second ore processing facility (OPF) at the Christmas Creek iron ore mine in the Pilbara.

The milestone comes only a week after Fortescue began operating its second train unloader in Port Hedland. The train unloader forms part of Fortescue's expansion of Herb Elliott Port to support increased tonnes of ore from Christmas Creek and the new Solomon mine currently under construction.

The second Christmas Creek OPF has taken only 14 months to complete. Once fully commissioned it will lift the capacity of the mine to more than 50mtpa and the combined output of Christmas Creek and the nearby Cloudbreak mine to 95mtpa by the end of the calendar year.

"This is another example of Fortescue's progress towards 115mtpa by the end of the March quarter 2013," Fortescue Chief Executive Officer Nev Power said. "It also highlights the terrific effort of our team at Christmas Creek and our primary contractor Crushing Services International. Since March 2010, we have constructed two OPFs along with associated infrastructure which will take the capacity to more than 50mtpa."

As part of the Christmas Creek expansion, a number of additional infrastructure projects have been completed, including doubling capacity of the operations village, the construction of a remote crushing hub and 6.3km overland conveyor, a new airstrip, expanded roads and infrastructure and an expansion of the power plant. The total long term workforce at the expanded Christmas Creek site is expected to be about 2,300.

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Last week Fortescue awarded Leighton Contractors the mining and operations contract for the 20mtpa firetail deposit at Solomon. Firetail is on target to produce 20 million tonnes per annum by the end of March 2013, which will lift the company's production to 115mtpa. Mr Power said Fortescue remained committed to an expansion to 155mtpa once market conditions have improved and iron ore prices stabilise.

Yours sincerely  
**Fortescue Metals Group Ltd**

**Mark Thomas**  
Company Secretary

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