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

Dear Sir

Trial Mining Starts

Fortescue Metals Group Ltd ("Fortescue") is pleased to advise that following the receipt of all Federal and State Government agency approvals, inclusive of environmental, together with the requisite Aboriginal consents covering native title and heritage, it has progressed to the implementation of its trial mining program at the Cloud Break deposit. This mining trial will be the first of its kind for a surface miner on Marra Mamba iron ore.

Fortescue's mining contractor is currently stripping overburden and preparing the ground for the operation of the Wirtgen surface miner "SM". The Fortescue owned Wirtgen 2600SM has been overhauled with a specially engineered cutting drum installed to tackle this new mining challenge. The drum was designed and manufactured in Germany specifically for mining iron ore.

A second machine is currently in transit to Cloud Break from Sydney where it will soon join the trial program. The 2200SM is being supplied by Wirtgen Australia to enable Fortescue to assess the two machines under normal operating conditions. The trial is scheduled for a period of six weeks in order to accurately determine ore extraction rates and operating costs of the Wirtgen machines in the various Marra Mamba rock types.

Fortescue also has an option to acquire a further machine (Wirtgen 4200SM) which is currently located in NSW. This machine has been in operation at an open cut coal mine and once a decision to mine is made by Fortescue's Board, it will be purchased and overhauled to meet the required operating specifications.

Yours sincerely

Fortescue Metals Group Ltd

Rod Campbell

Company Secretary