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28 February 2006

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

Dear Sir

NATIONAL COMPETITION COUNCIL REPORT

Fortescue Metals Group Ltd ("Fortescue") would like to refer people to a recent report issued by the National Competition Council ("NCC") in regards to Fortescue's declaration application of BHP Billiton's rail line. The report can be viewed on the NCC web site at www.ncc.gov.au.

Fortescue attaches a press release providing comment on the findings of the report.

Yours sincerely
Fortescue Metals Group Ltd

Rod Campbell
Company Secretary



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Media Release

28th February 2006

Fortescue Welcomes National Competition Council Report on Mt Newman Railway

Fortescue Metals Group Ltd (Fortescue) today welcomed a report from the National Competition Council (NCC) which found that BHP Billiton Iron Ore Pty Ltd's (BHP) current Mt Newman railway capacity could readily be expanded to accommodate Fortescue's access.

The report also found that incremental expansion of the existing BHP railway was possible and that the cost would be significantly less than constructing a new stand-alone railway.

The report states that the cost of Fortescue sharing the BHP track would not exceed \$316 million where as costs associated with a new stand alone track could reach as much as \$1020 million.

"Today's report confirms our belief that the most economic way to transport iron ore product from our Mindy Mindy mine would be the granting of access to this railway," said Graeme Rowley, Fortescue's Executive Director of Operations.

The report also affirms that capacity issues could be minimised if Fortescue adopts operating practices and procedures similar to BHP's. Fortescue has always indicated that it would be willing to do this.

"These findings support submissions we made to the NCC and also highlight the potential economic opportunities that could be realised by the efficient use of existing infrastructure" said Mr Rowley.

The NCC has asked for further comment from interested parties to today's report and Fortescue will be responding.

The NCC engaged independent expert consultants, G13 & Associates Pty Ltd, to provide them with advice on the large amount of technical information they received relating to the capacity of the Mt Newman railway line.

The NCC had released its draft recommendation that the Mt Newman railway line be declared under Part IIIA of the *Trade Practices Act* in November 2005. After considering submissions and today's report the NCC will forward its final recommendation to the designated Minister, who decides whether or not to declare the service.

As distinct from its Mindy Mindy Joint Venture Project, Fortescue will be building its own port and rail facilities for its separate Christmas Creek and Cloud Break Pilbara Iron Ore Projects.

- ends -

For more information contact:

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