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Our reference
BCM.RZN.JNS 02 1383 7928

1 May 2006

BY FACSIMILE: 1900 999 279

Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

**HMC Investors LLC – Notice of change of interest of substantial holder for
Fortescue Metals Group Limited (ASX:FMG)**

We act for HMC Investors LLC (HMC).

In accordance with section 671B(1) of the *Corporations Act 2001* (Cth), on behalf of HMC we enclose a notice of change of interests of substantial holder in relation to Fortescue Metals Group Limited dated 1 May 2006.

Yours faithfully

Blake Dawson Waldron

SYDNEY
MELBOURNE
BRISBANE
PERTH
CANBERRA
LONDON
PORT MORESBY
JAKARTA
SHANGHAI

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Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Fortescue Metals Group Limited

ACN/ARSN 002 594 872

This notice is given by HMC Investors LLC on behalf of itself and each of its controlled bodies corporate (**HMC Entities**) named in the list of 2 pages annexed to this notice and marked **A**.

1. Details of substantial holder (1)

Name HMC Investors LLC, Philip Falcone, Raymond Harbert and each of the HMC Entities

ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on

See Annexure B

The previous notice was given to the company on

22/03/2006

The previous notice was dated

22/03/2006

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Shares	23,947,530	10.68%	26,289,157	11.73%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
27/04/2006	Harbinger Capital Partners Master Fund I, Ltd	Entry into contracts for the purchase and sale of the securities on Australian Stock Exchange Limited (ASX).	See Annexure B	2,341,627 ordinary shares (See Annexure B)	2,341,627
27/04/2006	Harbinger Capital Partners Offshore Manager, LLC	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment manager of Harbinger Capital Partners Master Fund I, Ltd.	N/A	2,341,627 ordinary shares	2,341,627
27/04/2006	HMC Investors LLC	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Offshore Manager, LLC.	N/A	2,341,627 ordinary shares	2,341,627
27/04/2006	Harbert Management Corporation	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of HMC Investors LLC.	N/A	2,341,627 ordinary shares	2,341,627
N/A	Alpha US Sub Fund VI LLC	N/A	N/A	N/A	N/A
27/04/2006	Harbert Fund Advisors, Inc.	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment adviser of Harbinger Capital Partners Master Fund I, Ltd and Alpha US Sub Fund VI LLC.	N/A	2,341,627 ordinary shares	2,341,627
27/04/2006	Philip Falcone	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Offshore Manager, LLC.	N/A	2,341,627 ordinary shares	2,341,627

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15 July 2001

27/04/2006	Raymond J Harbert	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Offshore Manager, LLC and Harbert Fund Advisors, Inc.	N/A	2,341,627 ordinary shares	2,341,627
27/04/2006	Each of HMC Investors LLC's controlled body corporates (the HMC Entities) named in the list of 2 pages annexed to this notice and marked "A"	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control (through the relevant interests of its associate, HMC Investors LLC) of Harbinger Capital Partners Offshore Manager, LLC.	N/A	2,341,627 ordinary shares	2,341,627

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Harbinger Capital Partners Master Fund I, Ltd	Various vendors of securities on ASX and Harbinger Capital Partners Master Fund I, Ltd.	Harbinger Capital Partners Master Fund I, Ltd.	Entry into contracts for the purchase and sale of the securities on ASX.	25,496,201 ordinary shares	25,496,201
Harbinger Capital Partners Offshore Manager, LLC	Harbinger Capital Partners Master Fund I, Ltd	Harbinger Capital Partners Master Fund I, Ltd	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment manager of Harbinger Capital Partners Master Fund I, Ltd.	25,496,201 ordinary shares	25,496,201
HMC Investors LLC	Harbinger Capital Partners Master Fund I, Ltd	Harbinger Capital Partners Master Fund I, Ltd	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of Harbinger Capital Partners Offshore Manager, LLC.	25,496,201 ordinary shares	25,496,201
Alpha US Sub Fund VI LLC	Various vendors of securities on ASX and Alpha US Sub Fund VI LLC	Alpha US Sub Fund VI LLC	Entry into contracts for the purchase of the securities on ASX.	792,956 ordinary shares	792,956
Harbert Fund Advisors, Inc.	Harbinger Capital Partners Master Fund I, Ltd and Alpha US Sub Fund VI LLC.	Harbinger Capital Partners Master Fund I, Ltd and Alpha US Sub Fund VI LLC.	Taken under sections 608(1)(b) and 608(1)(c) of the Corporations Act to have a relevant interest by reason of having control of the securities as investment adviser of Harbinger Capital Partners Master Fund I, Ltd and Alpha US Sub Fund VI LLC.	26,289,157 ordinary shares	26,289,157
Philip Falcone	Harbinger Capital Partners Master Fund I, Ltd	Harbinger Capital Partners Master Fund I, Ltd	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Offshore Manager, LLC.	25,496,201 ordinary shares	25,496,201
Raymond J Harbert	Harbinger Capital Partners Master Fund I, Ltd and Alpha US Sub Fund VI LLC.	Harbinger Capital Partners Master Fund I, Ltd and Alpha US Sub Fund VI LLC.	Taken under section 608(3)(a) of the Corporations Act to have a relevant interest by reason of having voting power above 20% in Harbinger Capital Partners Offshore Manager, LLC and Harbert Fund Advisors, Inc.	26,289,157 ordinary shares	26,289,157
Each of HMC Investors LLC's controlled body corporates (the HMC Entities) named in the list of 2 pages annexed to this notice and marked "A"	Harbinger Capital Partners Master Fund I, Ltd	Harbinger Capital Partners Master Fund I, Ltd	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control (through the relevant interests of its associate, HMC Investors LLC) of Harbinger Capital Partners Offshore Manager, LLC.	25,496,201 ordinary shares	25,496,201

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
HMC Entities	As set out in the list of 2 pages annexed to this notice and marked "A".
Alpha US Sub Fund VI LLC	16th Floor, 555 Madison Avenue, New York, New York 10022, United States of America
HMC Investors LLC	1 Riverchase Parkway South, Birmingham, Alabama 35244, United States of America
Harbert Management Corporation	16th Floor, 555 Madison Avenue, New York, New York 10022, United States of America
Philip Falcone	16th Floor, 555 Madison Avenue, New York, New York 10022, United States of America
Raymond J Harbert	1 Riverchase Parkway South, Birmingham, Alabama 35244, United States of America

Signature

print name Bruce Macdonald

capacity Authorised Representative

sign here

date 1/05/2006

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

GUIDE

This guide does not form part of the prescribed form and is included by ASIC to assist you in completing and lodging form 604.

Signature

This form must be signed by either a director or a secretary of the substantial holder.

Lodging period

Nil

Lodging Fee

Nil

Other forms to be completed

Nil

Additional information

- (a) If additional space is required to complete a question, the information may be included on a separate piece of paper annexed to the form.
- (b) This notice must be given to a listed company, or the responsible entity for a listed managed investment scheme. A copy of this notice must also be given to each relevant securities exchange.
- (c) The person must give a copy of this notice:
 - (i) within 2 business days after they become aware of the information; or
 - (ii) by 9.30 am on the next trading day of the relevant securities exchange after they become aware of the information if:
 - (A) a takeover bid is made for voting shares in the company or voting interests in the scheme; and
 - (B) the person becomes aware of the information during the bid period.

Annexures

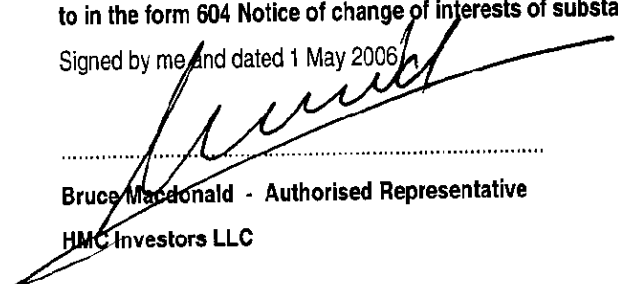
- To make any annexure conform to the regulations, you must
- 1 use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides
 - 2 show the corporation name and A.C.N or ARBN
 - 3 number the pages consecutively
 - 4 print or type in BLOCK letters in dark blue or black ink so that the document is clearly legible when photocopied
 - 5 identify the annexure with a mark such as A, B, C, etc
 - 6 endorse the annexure with the words:
This is annexure (mark) of (number) pages referred to in form (form number and title)
 - 7 sign and date the annexure.
- The annexure must be signed by the same person(s) who signed the form.

Information in this guide is intended as a guide only. Please consult your accountant or solicitor for further advice.

Annexure "A"

**This is the Annexure of 2 pages marked "A" referred
to in the form 604 Notice of change of interests of substantial holder**

Signed by me and dated 1 May 2006


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Bruce Macdonald - Authorised Representative
HMC Investors LLC

HMC Entities

Domicile	HMC Subsidiaries	% Owned/ Interest	Reg Office
Cayman Islands	Harbinger Capital Partners Offshore Fund I, Ltd	Managing Member	1
Cayman Islands	Harbert Arbitrage Offshore Fund, Ltd	Managing Member	1
Cayman Islands	Harbert Emerging Markets Offshore Fund Limited	Managing Member	1
Cayman Islands	Harbert Global Macro Offshore Fund Limited	Managing Member	1
Cayman Islands	Harbinger Capital Partners Master Fund I, Ltd	Managing Member	1
Cayman Islands	Harbert Arbitrage Master Fund, Ltd	Managing Member	1
Cayman Islands	Harbert Emerging Markets Master Fund Limited	Managing Member	1
Cayman Islands	Harbert Global Macro Master Fund Limited	Managing Member	1
United States of America	Harbinger Capital Partners Offshore Manager, LLC	Managing Member	2
United States of America	HMC Arbitrage Offshore Manager, LLC	Managing Member	2
United States of America	HMC Emerging Markets Offshore Manager LLC	Managing Member	2
United States of America	HMC Global Macro Offshore Manager LLC	Managing Member	2

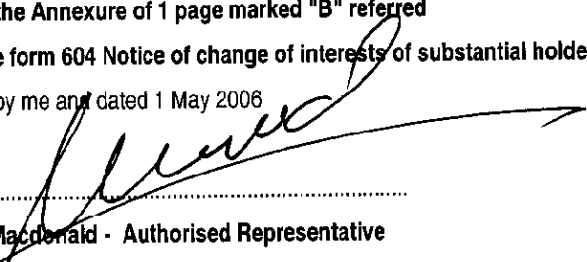
Registered Offices

1. c/o International Fund Services (Ireland) Limited, 3rd Floor, Bishop's Square, Redmond's Hill, Dublin 2, Ireland
2. 1 Riverchase Parkway South, Birmingham, Alabama 35244 United States of America

Annexure "B"

This is the Annexure of 1 page marked "B" referred
to in the form 604 Notice of change of interests of substantial holder

Signed by me and dated 1 May 2006


Bruce Macdonald - Authorised Representative
HMC Investors LLC

Details of Consideration

Date	Transaction	Holder of relevant interest	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
21/03/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,219,788.99	217,456 ordinary shares	217,456
24/03/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$573,466.82	96,795 ordinary shares	96,795
27/03/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$870,760.05	141,974 ordinary shares	141,974
28/03/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$800,407.35	130,402 ordinary shares	130,402
30/03/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$629,726.00	100,000 ordinary shares	100,000
30/03/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,054,436.29	168,548 ordinary shares	168,548
31/03/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$512,333.08	81,452 ordinary shares	81,452
19/04/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,683,891.00	250,000 ordinary shares	250,000
21/04/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,348,297.00	190,000 ordinary shares	190,000
21/04/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,832,830.00	250,000 ordinary shares	250,000
24/04/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,938,644.00	250,000 ordinary shares	250,000
26/04/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$1,713,077.00	215,000 ordinary shares	215,000
27/04/2006	Acquisition	Harbinger Capital Partners Master Fund I, Ltd	A\$2,161,062.00	250,000 ordinary shares	250,000