



Fortescue Metals Group Ltd

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22 June 2007

The Companies Officer
Australian Stock Exchange Ltd
Exchange Plaza
Perth WA 6000

Dear Sir,

Extension of Baosteel Joint Venture Agreement

Fortescue Metals Group Ltd ("Fortescue") advised in its release of 26 March 2007 that it had signed a Memorandum of Understanding ("MOU") with China's largest steel mill Baosteel Trading Co Ltd for the development of a potential magnetite deposit within Fortescue's Pilbara tenement holding.

It was indicated that the parties intended to formalise the MOU into a Joint Venture Agreement within 90 days of the original signing date. Negotiations have been progressing well however the Agreement has not been concluded. Accordingly both parties have agreed to extend the completion date for the Agreement by up to a further 90 days.

Yours sincerely
Fortescue Metals Group Ltd

Rod Campbell
Company Secretary

The New Force in Iron Ore