



Fortescue Metals Group Ltd
ABN 57 002 594 872

NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT

Please read the Notice and Explanatory Statement carefully.

If you are not able to attend the General Meeting of Shareholders, please complete and return the Proxy Form in accordance with the specified directions.

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Fortescue Metals Group Ltd (ABN 57 002 594 872) ("the Company") will be held in the Freshwater Bay Room at the Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia on Monday, 17 December 2007 at 10am (Perth time).

If you are unable to attend the Meeting, you are encouraged to complete and return the proxy form attached to this Notice. The completed proxy form must be received at the office of Computershare by no later than 48 hours prior to the time of the Meeting or any adjournment thereof.

Date for determining voting entitlements

The Directors have determined that for purposes of the Corporations Act, the persons eligible to vote at the Meeting will be those persons who are registered Shareholders at 5pm (Perth time) on Saturday, 15 December 2007. Accordingly, transfers of Shares registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Appointment of Proxies

Each Shareholder is entitled to appoint a proxy. The proxy does not need to be a Shareholder. A Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion of votes each proxy is entitled to exercise. If a Shareholder appoints two proxies, each proxy may exercise half of the Shareholder's votes if no proportion or number of votes is specified.

A proxy form accompanies this Notice and to be effective must be completed and received at the office of Computershare as detailed below:

Mail to:

Share Registry
Computershare Investor Services Pty Ltd
GPO Box 242
MELBOURNE VIC 3001

Deliver to:

Share Registry
Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
PERTH WA 6000

or by facsimile on:

(08) 9323 2033

by no later than 5pm (Perth time) on Saturday, 15 December 2007.

Corporate Representatives

Any corporate Shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

1. a letter or certificate executed in accordance with the Corporations Act authorising that person as the corporate Shareholder's representative at the Meeting; or
2. a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or director of the corporate Shareholder.

AGENDA

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary of Terms as contained in the Explanatory Statement.

RESOLUTION - SHARE SPLIT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of section 254H of the Corporations Act and the Company's Constitution and for all other purposes, the issued share capital of the Company be subdivided on the basis that every one Share be subdivided into ten Shares and that every Option on issue be adjusted in accordance with the Listing Rules, on the terms and conditions set out in the Explanatory Statement."

Dated 14 November 2007

By Order of the Board.

Rod Campbell
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of Fortescue Metals Group Ltd ("**Company**") in connection with the business to be conducted at the General Meeting of Shareholders to be held in the Freshwater Bay Room at the Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia on Monday, 17 December 2007 at 10am (Perth time).

This Explanatory Statement should be read in conjunction with the accompanying Notice of General Meeting.

This Explanatory Statement and all attachments are important documents and should be read carefully and in their entirety. If you have any questions regarding the matters set out in this Explanatory Statement or the Notice, please contact the Company or your financial adviser, stockbroker or solicitor.

RESOLUTION - SHARE SPLIT

Overview

Section 254H of the Corporations Act and the Constitution provide that the Company may, by ordinary resolution passed at a general meeting, convert all or any of its Shares into a larger number of Shares ("**Share Split**"). The Listing Rules also provide that where Shares are converted into a larger number, the Company must subdivide all Options on issue in the same ratio as its share capital and must amend the exercise price in inverse proportion to that ratio.

The Resolution seeks Shareholder approval for the subdivision of the Company's issued share capital on the basis that every one Share be subdivided into ten Shares and the Options on issue be adjusted in accordance with the Listing Rules.

Effect of Share Split

The Company currently has on issue 279,927,043 Shares. If the Resolution is passed, the number of Shares on issue in the Company will increase to 2,799,270,430 Shares and each Shareholder will hold in number 10 times the number of Shares that Shareholder held prior to the Share Split. The Share Split will take effect on the passing of the Resolution.

The Share Split will not involve the payment or distribution of any amounts to Shareholders and will not affect the Company's paid up capital. Immediately after the Share Split, a Shareholder will hold the same proportion of the Company's share capital and net assets as before the Share Split. The current rights attaching to Shares and Options will not be affected by the Share Split.

Following the Share Split, the price for each Share may decrease to one tenth of its current price following the commencement of trading on a deferred settlement basis of the Shares on ASX. However, the extent of this reduction in the price for each Share will depend on various factors and market conditions.

Fractional entitlements

Fractions of Shares resulting from the Share Split will be rounded up to the nearest whole number. Shares resulting from the rounding up will be issued as fully paid up.

Treatment of Options

In accordance with Listing Rule 7.22.2 and the terms of the existing Options, the Company must subdivide the Options in the same ratio as its share capital and must amend the exercise price in inverse proportion to that ratio. The result and effect on the number of existing Options and their exercise prices will be as follows:

Option Class Expiry date	Number pre Share Split	Exercise price pre Share Split	Number post Share Split	Exercise price post Share Split
Unlisted 31 December 2009	1,285,500	\$2.67	12,855,000	\$0.267
Unlisted 25 January 2011	340,625	\$5.69	3,406,250	\$0.569
Unlisted 1 June 2011	446,250	\$7.03	4,462,500	\$0.703
Unlisted 31 December 2009	100,000	\$8.22	1,000,000	\$0.822
Unlisted 31 December 2009	20,000	\$8.78	200,000	\$0.878
Unlisted 31 December 2009	20,000	\$9.29	200,000	\$0.929

Fractions of Options resulting from the Share Split will be rounded up to the nearest whole number.

Reasons for Share Split

The intent is to help achieve a greater level of liquidity available to all investors. The Board considers that the Share Split will benefit Shareholders by assisting in achieving that objective and increasing the liquidity and affordability of Shares. This will be particularly so for Australian retail investors.

Australian tax implications

It is not considered that there will be any adverse taxation consequences arising from the Share Split for Shareholders. However, Shareholders should obtain independent advice on the possible tax consequences of the proposed Share Split. Different tax implications may arise for share traders or other taxpayers whose Shares are held on revenue account. Shareholders who are tax resident of a country outside Australia should obtain independent tax advice regarding the tax effect of the Share Split in their jurisdiction. Neither the Company, the Directors nor the Company's advisers accept any responsibility for any individual Shareholder's taxation consequences of the Share Split.

Holding Statements

As from the effective date of the Share Split, all holding statements for Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of post Share Split Shares and Options.

After the Share Split becomes effective, the Company will dispatch a notice to Shareholders and Optionholders advising them of the number of Shares and Options held by them respectively, both before and after the Share Split. The Company will also arrange for new holding statements to be issued to Shareholders and Optionholders.

Timetable

Event	Date
Meeting of Shareholders	17 December 2007
First day of trading in subdivided Shares (on deferred settlement basis)	19 December 2007
Last day for sending shareholding statements to Shareholders	7 January 2008
Normal trading in subdivided Shares on a T + 3 basis	8 January 2008

Directors' Recommendation

The Board unanimously recommends that Shareholders vote in favour of the Resolution.

GLOSSARY OF TERMS

The following terms and abbreviations used in the Notice and this Explanatory Statement have the following meanings:

"\$"	means Australian dollars.
"ASX"	means ASX Limited ABN 98 008 624 691.
"Board"	means the Board of Directors from time to time.
"Company"	means Fortescue Metals Group Ltd ABN 57 002 594 872.
"Computershare"	means Computershare Investor Services Pty Limited ABN 48 078 279 277.
"Constitution"	means the constitution of the Company from time to time.
"Corporations Act"	means the Corporations Act 2001 (Cth).
"Directors"	means the directors of the Company from time to time.
"Explanatory Statement"	means this explanatory statement.
"Listing Rules"	mean the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
"Meeting" or "General Meeting"	means the general meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.
"Notice" or "Notice of General Meeting"	means the notice of general meeting which accompanies this Explanatory Statement.
"Option"	means an option to subscribe for a Share.
"Optionholder"	means a holder of Options.
"Resolution"	means the resolution referred to in the Notice.
"Share"	means a fully paid ordinary share in the capital of the Company.
"Shareholder"	means a holder of Shares.



Fortescue Metals Group Ltd

ABN 57 002 594 872

Mark this box with an 'X' if you have made any changes to your address details (see reverse)

Proxy Form

All correspondence to:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
Facsimile 61 8 9323 2033
www.computershare.com



000001 000 FMG
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890

I ND

Appointment of Proxy

I/We being a member/s of Fortescue Metals Group Ltd and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Fortescue Metals Group Ltd to be held at the Freshwater Bay Room at the Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia on Monday, 17 December 2007 at 10:00AM (Perth time) and at any adjournment of that meeting.

Voting directions to your proxy - please mark



to indicate your directions

Item 1 Share Split

For Against Abstain*

☐	☐	☐
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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy

I/We wish to appoint a second proxy



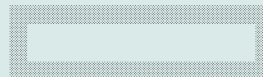
Mark with an 'X' if you
wish to appoint a second
proxy.

AND



%

OR

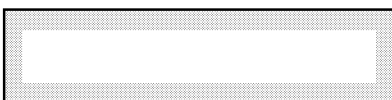


State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE

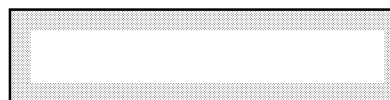
This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



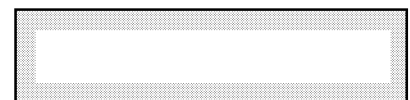
Individual/Sole Director and
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /

FMG

1 P R



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's Share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 41 hours before the commencement of the meeting at 10:00AM (Perth time) on Monday, 17 December 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

IN PERSON	Share Registry - Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth, Western Australia 6000
BY MAIL	Share Registry - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001
BY FAX	61 8 9323 2033



Fortescue Metals Group Ltd

ABN 57 002 594 872

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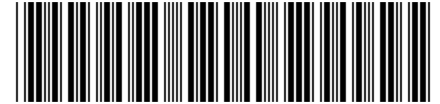
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000002 000 FMGRM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



Appointment of Proxy

I N D

I/We being a member/s of Fortescue Metals Group Ltd and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Fortescue Metals Group Ltd to be held at the Freshwater Bay Room at the Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia on Monday, 17 December 2007 at 10:00AM (Perth time) and at any adjournment of that meeting.

Voting directions to your proxy - please mark



to indicate your directions

Item 1 Share Split

For	Against	Abstain*
☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

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I/We wish to appoint a second proxy



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AND

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OR

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Individual/Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

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