



Mount Gibson Iron Limited

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The Manager
Company Announcements
ASX Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Response to recent media speculation

ASX Limited has requested that Mount Gibson Iron Limited (**Mount Gibson**) respond to recent speculation in the financial press suggesting that Mount Gibson may be the subject of a takeover bid by a third party.

Mount Gibson confirms that it is not involved in any discussions with, nor is it aware of any approach having been made by, any parties concerning a takeover of Mount Gibson.

Yours sincerely,

MOUNT GIBSON IRON LIMITED

David Berg
Company Secretary

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About Mount Gibson Iron Limited

Mount Gibson is a leading independent iron ore producer, and a driving force behind the development of the Mid West iron ore industry in Western Australia. Mount Gibson is leading the consolidation of the junior iron ore industry, and with the successful takeover of Aztec Resources, will build a sustainable platform for future shareholder growth. Mount Gibson has a hematite mining operation at Talling Peak operating at its targeted production rate and has commenced production from Koolan Island hematite mining operation. Mount Gibson's plans to develop the Extension Hill hematite project are well advanced. Current production rates from Mount Gibson exceed 6.5Mtpa with forecast production of 10Mtpa in 2010. Mount Gibson has firm commercial relationships with major Chinese steel industry customers, and with continued strong demand and prices the Company and its shareholders are ideally leveraged to benefit from further commodity price rises. The Company is generating strong cashflow and has a stable and experienced management team focused on delivering returns to shareholders.