



Mount Gibson Iron Limited

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31 January 2008

The Manager
Company Announcements
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

SUBJECT: SALE OF GAZMETALL'S STAKE IN MOUNT GIBSON

Mount Gibson Iron Limited ("**Mount Gibson**") refers to its earlier announcement regarding the conditional sale by Gazmetall Holding Cyprus Ltd ("**Gazmetall**") of Gazmetall's 156.8 million shares in Mount Gibson (representing approximately 19.73% of Mount Gibson's issued capital) to Shougang Concord International Enterprises Company Limited ("**Shougang Concord**").

According to the substantial shareholding notice filed today, Shougang Holding (Hong Kong) Limited ("**Shougang Hong Kong**") owns greater than 20% of Shougang Concord and Shougang Corporation is the ultimate parent entity of Shougang Hong Kong.

Shougang Hong Kong also owns approximately 18.05% of the shares of APAC Resources Limited ("**APAC**"). APAC owns 20.22% of Mount Gibson.

To clarify media and market speculation, Mount Gibson advises that it has **not** been informed by Shougang Concord or Shougang Corporation that it intends to make an offer to all of the Mount Gibson shareholders.

As previously indicated the Board is making inquiries in relation to the transaction. The Board intends to act in the best interest of all shareholders, including minority shareholders, and will keep the market fully informed as to any material developments in this matter.

Yours sincerely,

MOUNT GIBSON IRON LIMITED

Angela Dent
Company Secretary

For further information:

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