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Our ref WA12/00509

LAWYERS

19 December 2006

By fax | 5 pages

To Company Announcements Platform
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Mount Gibson Iron Limited

Please find enclosed a Form 604 – Notice of change of interests of substantial holder in relation to Mount Gibson Iron Limited.

Yours faithfully
Gilbert + Tobin

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Form 604Corporations Act 2001
Section 671B**Notice of change of interests of substantial holder**

To Company Name/Scheme Mount Gibson Iron Limited
ACN/ARSN 008 670 817

1. Details of substantial holder (1)

Name Shanghai Merchants Holdings Limited (SMHL) and the entities listed in Attachment A
ACN/ARSN (if applicable)

There was a change in the interests of the substantial holder on 16 December 2006

The previous notice was given to the company on 11 December 2006

The previous notice was dated 11 December 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 (2)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	76,373,197	11.43%	76,373,197	10.42%

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
18/12/06	Fortune Desire Investments Limited (Fortune Desire), Net Success Investments Limited (Net Success), SMHL, Profit Harbour Investments Limited and Mr Yue Jian (together, Profit Harbour), Shougang Holding (Hong Kong) Limited and Benefit Rich Limited (together, Benefit Rich)	Reduction in voting power due to share issues by Mount Gibson Iron Limited	N/A	76,373,197 ordinary shares	76,373,197

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
Fortune Desire	New Fortress Investments Limited (NFIL)	Fortune Desire	Purchaser of shares under a conditional sale agreement dated 27 October 2006 (Sale Agreement)	31,691,899 ordinary shares	31,691,899
Fortune Desire	Honest Opportunity Limited (HOL)	Fortune Desire	Purchaser of shares under the Sale Agreement	16,681,298 ordinary shares	16,681,298
Net Success	Merrill Lynch (Australia) Nominees Ltd (Merrill Lynch)	N/A	Controller of the shares (section 608(1)(b) and (c))	28,000,000 ordinary shares	28,000,000
SMHL	NFIL and HOL (in respect of 48,373,197) and Merrill Lynch (in respect of 28,000,000)	Fortune Desire (in respect of 48,373,197)	Controller of Fortune Desire and Net Success (Section 608(3)(b))	76,373,197 ordinary shares	76,373,197
Profit Harbour and Benefit Rich	NFIL and HOL (in respect of 48,373,197) and Merrill Lynch (in respect of 28,000,000)	Fortune Desire (in respect of 48,373,197)	Each is a holder of more than 20% of SMHL (Section 608(3)(a))	76,373,197 ordinary shares	76,373,197

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
Nil	N/A

6. Addresses

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

Name	Address
All named persons	C/- Shanghai Merchants Holdings Limited, Rooms 2808-10, 28 th Floor, 71 Des Voeux Road Central, Hong Kong

Signature

print name MICHAEL BOGUE

capacity DIRECTOR

sign here

Michael Bogue

date 19 / 12 / 06

Attachment A

This is attachment A of 1 page, referred to in the Form 604 – Notice of change of interests of substantial holder lodged by Shanghai Merchants Holdings Limited dated 19 December 2006 and signed by me.



Michael Bogue

19 December 2006

The substantial holders are the companies and individual noted in items 3 and 4 and the following subsidiaries of Shanghai Merchants Holdings Limited

Asia Cheer Trading Limited
Sky Joy Management Limited
Sino Chance Trading Limited
Park Well International Group Limited
First Landmark Limited
Merchants (Hong Kong) Limited
Rise Cheer Limited
Chinaright Electronics Limited