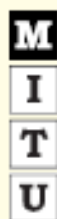


Welcome to

Bergforsk

*Thursday June 8th 2006, 9.30 – 18.00
Luleå University of Technology, Aula Aurora*

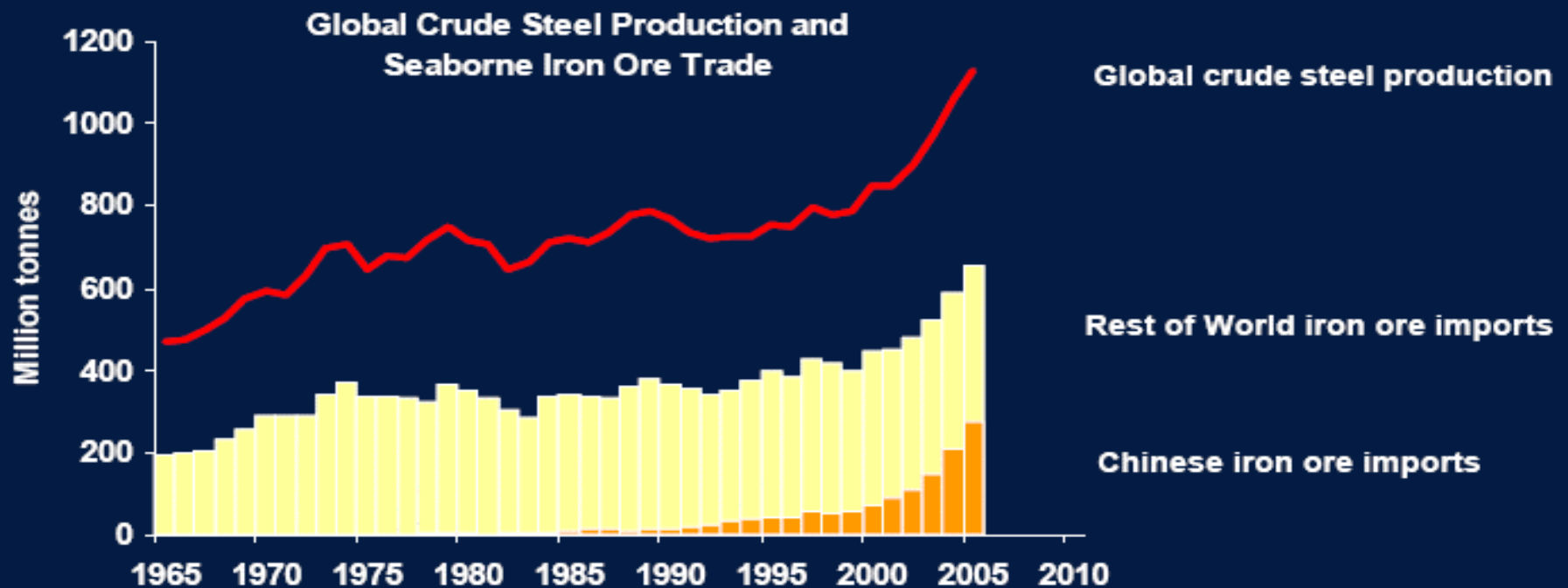


Swedish Mining Research Foundation MITU in co-operation with



The seaborne iron ore market also continues to grow strongly

- Growth has increased more in the past four years than in the preceding two decades.



Significant ore supply additions are in the pipeline but will take some time to catch up

- In the meantime higher cost production particularly in China and India is filling the gap
- To bring on low cost, long term supply requires superior resources and deep pockets.

Chinese Iron Ore Spot Prices



Pilbara port capacity increasing to almost 200Mtpa



Dampier port expansion to 116mtpa

- Project completed on time and on budget
- 5.7mt shipped from new shiploader in 2005



Dampier port expansion to 140mtpa

- Construction underway
- Due for completion at end of 2007

Global consumption of pellets to trend sharply higher:
 BF's productivity improvements, environmental restrictions on sintering,
 decreasing lump ore supply, relevant growth on new DRI capacities
 (mainly in Asia and Middle East).

We are developing 3 new pellet plants:

	Total investment US\$ million	Capacity increase Mtpy	Start-up
Itabiritos (Minas Gerais)	759	7.0	2008
Tubarão VIII ¹	516	7.0	2008
Samarco ²	1,183	7.6	2008

1) Subject to Board Approval.

2) Samarco is a 50/50 JV. Its project is not included in CVRD capex program.

