

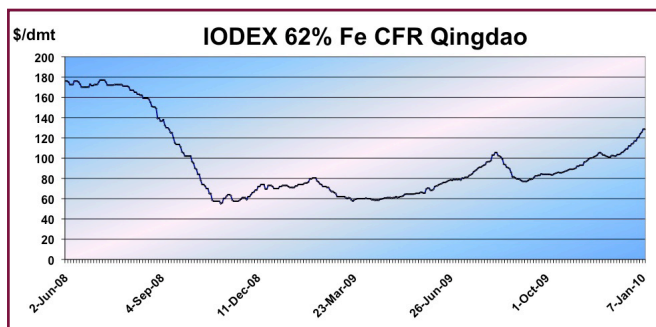


PLATTS IODEX

Market-leading daily iron ore price assessments

What is Platts IODEX?

Platts assesses the daily transaction value of seaborne iron ore sold in the spot market imported into China. The benchmark assessment is based on a standard specification of iron ore fines with an iron (Fe) content of 62%. As a benchmark it acts as an 'index' off which to price other grades and has been termed the Platts IODEX.



Why is Platts IODEX important to the mining and steel industries?

Iron ore is the primary raw material used in the production of steel which is a major material used by all industrial sectors. In fact, the consumption of steel is highly correlated with economic activity and is a vital ingredient necessary for economic growth and development. Platts IODEX provides the market with reliable and transparent daily iron ore spot prices, enabling suppliers to change the way they sell this vital commodity to steel-makers. For many years, iron ore has been priced on an annual basis, resulting in huge annual price swings. By using the benchmark that Platts IODEX now provides in negotiation and contracts, these interdependent communities are changing the way they do business together and strengthening their relationship as a result.

When was Platts IODEX first introduced?

Platts was the first to publish daily seaborne iron ore prices, in June 2008. Since then, Platts has rapidly expanded its offering for the iron ore market, which now includes price assessments for iron ore grades 62% Fe and 63.5/63% Fe, high-grade 65% Fe and a low-grade 58% Fe, as well as a daily 1% per Fe content differential for the range of 60-63.5% iron ore fines to help clarify the price normalization process. Platts also publishes daily freight netbacks based on the most liquid routes to five basis origins. A forward curve assessing the daily bid/offer and trade values in the over-the-counter swaps market for iron ore has also recently been launched.

How are Platts IODEX price assessments derived?



Offers
Platts assesses the market widely, seeking the value of the marginal ton of iron ore tradable each day. Bids, offers and transactions are collected to zero in on that price.

Platts' price assessments are underpinned by a robust methodology of guidelines and quality protocols. Platts IODEX assessments are based on all-day market monitoring and data collection of transactions, bids, offers and other information from market participants during the Asian business day until market close at 18:30 Singapore time.

How are Platts IODEX price assessments being used?

Since its introduction, Platts IODEX has quickly become the most widely used indicator of daily value at a time when the mining and steel industries are moving away from an annually negotiated price, a practice that does not reflect market volatility. Platts benchmark IODEX enjoys the most use for price settlement in physical supply contracts of any information provider with millions of tons of material destined for delivery to China now being priced off Platts daily spot prices.*

What are the Platts IODEX Specifications?

	IODEX 62% Fe CFR China	Iron Ore Fines 63.5/63% Fe CFR China	Iron Ore Fines 65% Fe CFR China	Iron Ore Fines 58% CFR China
BASIS	CFR Qingdao, China			
TIMING	Delivery 2-8 weeks forward			
QUANTITY	Minimum cargo 35,000 mt			
UNIT OF ASSESSMENT	US Dollars per dry metric ton (\$/dmt)			
PAYMENT	100% at sight			
MOISTURE	8.00%	8.00%	4.00%	10.00%
SILICON DIOXIDE	4.50%	4.00%	3.50%	5.00%
ALUMINUM DIOXIDE	2.00%	2.00%	1.00%	4.00%
PHOSPHORUS	0.075%	0.075%	0.075%	0.05%
SULPHUR	0.02%	-	-	-

What forward prices for iron ore does Platts publish?

Platts publishes daily price assessments for iron ore swaps for one and two calendar months forward and the next quarter, basis CFR Qingdao in North China. These assessments track the financial derivative "paper" market for swaps done over the counter between market counterparties at a fixed price or as inter-month spreads. Swaps are derivatives which settle off the average value of the underlying physical asset price, for example, the Platts IODEX 62% Fe iron ore fines CFR China. Widespread use of Platts IODEX benchmark in physical cargo markets makes it ideal to be used as the underlying settlement price for the emerging OTC swaps market.

Can the market for iron ore swaps be cleared?

The Intercontinental Exchange (ICE) has recently launched the clearing of ICE Iron Ore Swap, settling off Platts' benchmark physical iron ore assessment IODEX 62% Fe (Iron Ore Fines CFR China).**

Why are iron ore prices focused on China?

The global spot market for iron ore fines, a key steelmaking ingredient, is dominated by China's import market. China accounts for 50% of global iron ore demand and more than 60% of seaborne iron ore demand. China imported 630 million metric tons in 2009, up 29% on the year, to feed its growing steel demand which is highly correlated to its economic growth. China demonstrates the greatest levels of daily spot price transparency, due to a high frequency of spot cargo transactions and a high volume of spot tonnage imported as a proportion of total imports. Much of iron ore bought and supplied in the rest of the world, by contrast, is captive or termed. For these reasons, the CFR China price functions as a global benchmark for all iron ore prices. Platts IODEX, the daily price assessment of iron ore delivered to China, has received wide acceptance as a valuable and independent benchmark for pricing physical cargoes, and thus serves as a useful benchmark for global iron ore costs.



What are the benefits of using Platts IODEX price assessments?

- Platts has developed methodology that seeks to verify market information in real-time. Deals, bids and offers are market tested and transactions checked for execution and performance.
- Platts is the market leader in real-time publishing of market news and price information.
- Platts prices do not suffer any time lag in reacting to the changes in value which occur every single trading day.
- Platts is completely independent.
- Platts has been assessing prices in the metals markets for more than 35 years, drawing on the tradition of its parent company, The McGraw-Hill Companies, which has covered the metals markets since 1930.

Where can I find more details about the Platts IODEX assessments methodology?

To read more about Platts iron ore methodology and specifications, please visit: <http://platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/ironore.pdf>

Where are the Platts IODEX price assessments published?

Platts iron ore fines price assessments are published immediately in **Platts Metals Alert (PMA)**, a real-time metals price and news wire service. The data is published again at the end of the U.S. trading day in **Platts Steel Markets Daily**, an online and print publication that offers news, market commentary and price information aimed at the steel, construction and auto industries as well as commodities-focused money managers worldwide.

• Platts Steel Markets Daily

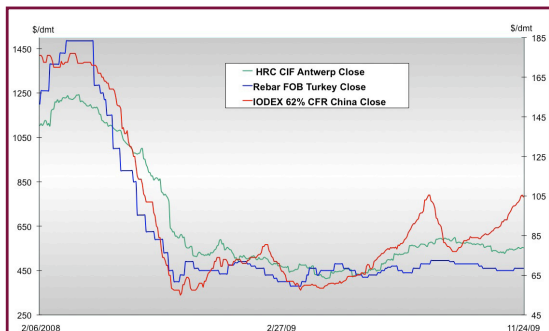
Platts Steel Markets Daily is the market-leading publication providing transparent, physical market-based iron ore and steel price assessments designed to aid the decision-making process throughout the steel supply chain.

Platts daily iron ore assessments					November 20						
		\$/dmt	Midpoint	Change	% change			\$/dmt	Midpoint	Change	% change
IODEX 62% Fe CFR North China		104.00-106.00	105.00	2.00	1.94						
63.5/63.5% Fe CFR North China		106.00-110.00	108.00	1.50	1.40						
65% Fe CFR North China		112.00-114.00	113.00	1.00	0.89						
58% Fe CFR North China		92.00-93.50	93.00	0.00	0.00						
*A = 4.0% max											
Per 1% Fe differential / basis IODEX 62% Fe											
Range 60-63.5% Fe											
4.00											
0.00											
FOB netbacks per route / basis IODEX 62% Fe											
Route	Vessel Type	Freight rate (\$/wmt)	Milestone (%)	IODEX (\$/dmt)							
Australia	Capesize	22.00	8.03	81.00							
India West	Handymax	25.00	8.11	77.79							
India East	Handymax	25.00	8.00	77.83							
Brazil	Capesize	45.00	9.00	55.55							
South Africa	Capesize	33.75	3.00	70.21							
* Typical transport co-loadings from Haldia and Paradip											
Freight differentials to major import ports											
From Qingdao on a Free Out basis											
To North China:曹妃甸, 天津 & 秦皇岛											
0.75											
To East China: 连云港											
-1.00											
To South China: 湛江 & 防城港											
-1.25											
Rolling monthly average											
IODEX 62% Fe											
98.10											
IODEX 62% Fe CFR North China OTC swaps assessment November 20											
IODEX 62%		\$/dmt	Midpoint	Change	% change						
Dec 09		102.00-103.00	102.500	-2.00	-1.91						
Jan 10		105.00-105.00	105.500	-1.25	-1.23						
Q1 2010		105.00-102.00	103.500	-1.25	-1.22						

Detailed methodology and specifications are found here: <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/ironore.pdf>

Unique market-leading content from Steel Markets Daily:

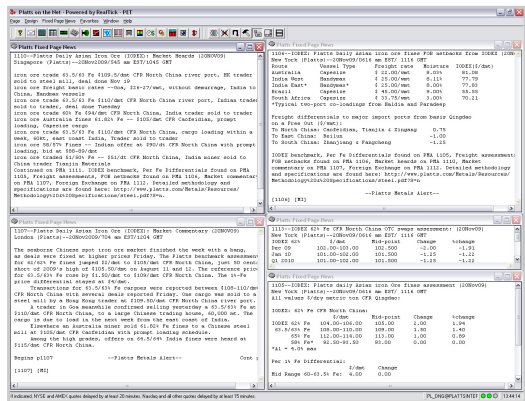
- Daily comparisons with global steel prices to improve analysis of furnace economics.



- Daily iron ore spot prices for 58%, 62%, 63.5/63%, 65% CFR Qingdao, China.
- Daily differentials for delivery into other ports in China.
- Daily freight rates and FOB netback values for India, Australia and Brazil.
- Daily assessments of per Fe value for mid-range grades above and below 62 Fe.
- Quality Premiums and Penalties to evaluate impurities in contract negotiations.
- Daily assessment of derivative iron ore paper swaps settling off Platts IODEX cargo prices.
- And daily assessments of steel prices plus incisive analysis and daily market commentary on the day's price trends, supply and demand fluctuations.

• Platts Metals Alert

Platts Metals Alert delivers news and data on the full spectrum of nonferrous metals, precious metals, and ferroalloys, as well as real-time information for iron ore and steel.



Access up to the minute updates on iron ore news and price data from our real-time Platts Metals Alert:

- In-depth commentary on iron ore price movements
- Daily iron ore price assessments

About Platts

Platts, a division of The McGraw-Hill Companies (NYSE: MHP), is the market leader for independent real-time news, pricing, and data for the energy and metals markets. From our 17 worldwide offices, we create market transparency and help traders and investors make better decisions in more than 150 countries. More information is available at www.platts.com.

Register for a free trial of Platts Steel Markets Daily at <http://www.steeldaily.platts.com>

For more information from our editorial staff on iron ore, please contact iron_ore@platts.com

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