



14 January 2011

Jill Hewitt
Senior Adviser
ASX Limited
Level 8
Exchange Plaza, 2 The Esplanade
Perth, Western Australia 6000

Dear Jill,

Fortescue Metals Group Ltd – Director's Interest Notice

In response to your query regarding the Change of Director's Interest Notice lodged on 12 January 2011, I provide the following responses;

- 1) The shares were acquired via an on market purchase by an independent trustee pursuant to the terms of the Fortescue salary sacrifice share plan. It appears that with staff on leave at both Fortescue and the Trustee over the Christmas and New Year Period there was a breakdown in the communication process used to advise the company of purchases by the trustee. The company received notification of the purchase of these shares on 12 January 2011 and lodged the Change of Director's Interest Notice immediately.
- 2) The share purchase communicated in the Change of Director's Interest Notice was undertaken by an independent trustee pursuant to the Fortescue Salary Sacrifice Share Plan. The plan manager is required to advise the company of purchase details for each transaction undertaken as trustee of the plan.

The Fortescue Securities Trading Policy requires a director to notify the Company Secretary if there is any change in the director's relevant interest in securities of the Company or a related body corporate of the Company as soon as possible after the change occurs and, in any event, to allow the Company Secretary to make the necessary notifications to the ASX within 5 business days after the change occurs.

- 3) In order to ensure timely communication of shares purchased by the trustee of the Fortescue salary sacrifice share plan a number of additional staff have been included in communications at both the trustee and the Company with automated reminders in place for those staff.

Yours sincerely
Fortescue Metals Group Ltd

Mark Thomas
Company Secretary



ASX Compliance Pty Limited
 ABN 26 087 780 489
 Level 8 Exchange Plaza
 2 The Esplanade
 PERTH WA 6000

GPO Box D167
 PERTH WA 6840

Telephone 61 8 9224 0000
 Facsimile 61 8 9221 2020
www.asx.com.au

13 January 2011

Mr R Campbell
 Company Secretary
 Fortescue Metals Group Limited
 Level 2 87 Adelaide Terrace
 EAST PERTH WA 6004

Email: rcampbell@fmgl.com.au

Dear Rod

Fortescue Metals Group Limited (the "Company") – Director's Interest Notice

We refer to the following;

1. The Appendix 3X lodged by the Company with ASX on 12 January 2011.
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On 1 January 2002.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.
 The entity must complete Appendix 3X and give it to ASX no more than 5 business days after 1 January 2002 or the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the

information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix indicated that the change occurred on 22 December 2010, it appears that the Appendix should have been lodged with the ASX prior to 4 January 2011. As the Appendix was lodged on 12 January 2011, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

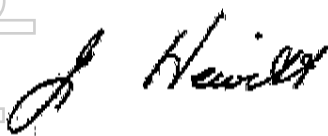
1. Please explain why the Appendix was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at jill.hewitt@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 6.30 a.m. W.S.T.) on Monday 17 January 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,



Jill Hewitt
Senior Adviser, Issuers (Perth)