

26 May 2011



The Companies Officer
ASX Limited
2 The Esplanade
Perth WA 6000

Dear Sir,

Unsecured Loan Facilities

Fortescue Metals Group Limited (Fortescue) today announced that it had received commitments from a syndicate of banks for a US\$500m three year Senior Unsecured Revolving Credit Facility. Documentation is expected to be completed by early June 2011.

As a result of recent weakness in credit market conditions, Fortescue has decided not to proceed with its previously announced US\$1.0 billion unsecured term loan facility. While Fortescue received significant investor interest, the proposed offers did not result in terms and conditions that met the company's expectations.

Fortescue continues to hold significant cash on hand and operating performance continues to generate substantial cash flow. The decision not to proceed with this financing at this time does not impact the expansion to 155 million tonnes per annum.

Yours sincerely

Fortescue Metals Group Ltd

Rod Campbell
Company Secretary

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