



Fortescue Metals Group Ltd

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18 February 2009

The Companies Officer
Australian Securities Exchange Ltd.
Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sir

Response to Price Query Letter

Fortescue Metals Group Ltd (The "Company" or "Fortescue") responds to the letter received from the Australian Securities Exchange today in regards to a price rise query. In reference to the questions listed in the ASX letter, the responses are as follows:

- 1) The Company has today become aware of speculation in the press concerning investment interest from various parties. Fortescue can confirm that there have been recent meetings and site visits with representatives of these companies to explore investment opportunities.

Fortescue has recently sought the services of financial advisory specialists JP Morgan Australia, Grant Samuel and Azure Capital to evaluate approaches and proposals and to act as strategic corporate advisors to the Company.

- 2) The Company is not aware of any other explanation for the recent increase in the share price or the volume of shares traded.
- 3) The Company is in compliance with Listing Rule 3.1. As previously advised Fortescue does from time to time, hold discussions with entities on a range of matters including investment opportunities which are confidential in nature. To the extent that the confidential nature of these discussions is breached, Fortescue provides the commentary referred to in paragraph 1 above. These discussions are preliminary and incomplete and do not warrant disclosure.

Yours sincerely

Fortescue Metals Group Ltd

Rod Campbell

Company Secretary

The New Force in Iron Ore



18 February 2009

Mr Rod Campbell
Company Secretary
Fortescue Metals Group Limited
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ASX Markets Supervision Pty Ltd
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By facsimile: 6218 8880

Dear Mr Campbell

Fortescue Metals Group Limited (the "Company") re: Price Query

We have noted a change in the price of the Company's securities from an opening price of \$2.59 to an intra day high of \$2.82 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning It that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

In answering this question please address the recent press reports about Anglo American PLC and China Investment Corp. being in talks to take large stakes in the Company.

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

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

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 1:30 pm W DST today.**

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

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 suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the 's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely



Kerrie Papamihall
Assistant Manager, Issuers (Perth)