

21 October 2010

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



Dear Sir

Media Commentary

Fortescue Metals Group Ltd (“Fortescue”) responds to media commentary in today’s Australian Financial Review in relation to capital costs associated with its Solomon Project.

The article makes reference to a preliminary, incomplete and confidential document which is in the process of being finalised by the company and its financial advisers. As previously advised the company has commenced a roadshow in relation to the offer of US\$2.040bn in Senior Unsecured Notes and will provide further information once all details and documents are finalised.

The media commentary makes reference to a capital cost of US\$5.40bn, which is consistent with media and analyst commentary of circa US\$80per tonne capital cost guidance to fund expansion from 55mtpa to 155mtpa.

As previously advised, the board will consider the Feasibility Study for Solomon Stage One in November 2010. Fortescue will provide further information when the Feasibility Study has been approved and accepted by the Board.

Yours sincerely

Fortescue Metals Group Ltd

Mark Thomas

Company Secretary