

5 August 2013

The Companies Officer
Australian Stock Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000



Dear Sir

Response to Article in The Australian Newspaper on Monday 5 August 2013

Fortescue Metals Group (ASX: FMG, Fortescue) notes the media article on page 22 of today's The Australian newspaper. Fortescue categorically denies the allegation that it has traded whilst insolvent. The company intends to make a formal complaint to the editor of The Australian with respect to the article and will take any and all available action against those who have made or published such ridiculous claims.

A brief summary of the facts is that the subcontractor Fuel-Sys Installations (FSI) won a lump sum contract to deliver the Diesel Storage Facility at Fortescue's Solomon Hub. FSI failed to complete the facility and requested a \$5.8m increase to the lump sum price, in response to which Fortescue agreed an increase of \$800k. Fortescue was forced to step in when it became clear that FSI could not deliver on the project and made direct payments to FSI subcontractors to ensure they were paid for work completed.

Yours sincerely
Fortescue Metals Group

Mark Thomas
Company Secretary

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