

18 March 2015

The Companies Officer
ASX Limited
2 The Esplanade
Perth WA 6000

Dear Sir

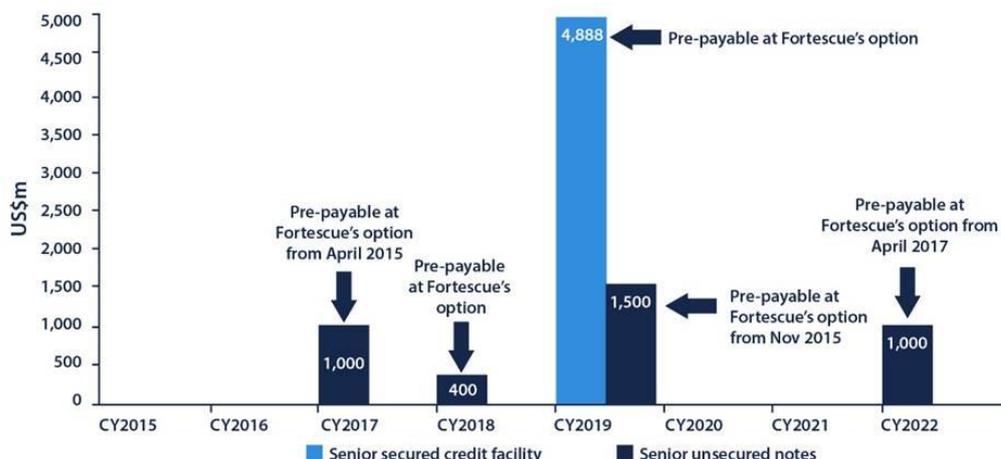
Fortescue withdraws Senior Secured Note offering

Fortescue Metals Group Limited (Fortescue) (ASX: FMG) has decided not to pursue the previously announced US\$2.5 billion Senior Secured Note offering and refinancing as the Company's disciplined cost objectives were not met.

While Fortescue received investment grade ratings on the secured offering and significant investor interest in the proposed refinancing, volatility in the US credit markets resulted in terms and conditions that did not meet the Company's objectives. Accordingly, Fortescue has chosen not to pursue the refinancing at this time.

Chief Executive Officer Nev Power said, "Whilst we have no debt maturing until April 2017, the objective of the refinancing was to extend Fortescue's maturity profile and minimise interest costs. Debt capital markets were not favorable at this time and as a result we think it is a disciplined and prudent decision to defer the voluntary refinancing at this stage."

Fortescue continues to maintain significant flexibility in its debt maturity profile, has no financial maintenance covenants and does not have any debt maturing until April 2017 as illustrated in the debt maturity profile below:



Approximately, 60 per cent of Fortescue's debt remains available for early repayment or refinancing prior to maturity at Fortescue's sole option. Fortescue's cash on hand and positive operating cashflows will continue to provide a strong basis for voluntary repayment or refinancing of debt well in advance of maturities.

Yours sincerely
Fortescue Metals Group

Ian Wells
Company Secretary

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