

3 February 2016



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

Dear Sir or Madam

S&P Affirms Fortescue's Credit Ratings

Fortescue Metals Group Ltd (ASX:FMG) notes today's announcement by Standard and Poor's (S&P) affirming its credit ratings.

In its update, S&P noted that "In our view, the improvement in Fortescue's cost of production, reduced capital expenditure, and reduction in outstanding debt moderate the impact of lower price assumptions on FMG's key credit measures."

S&P have recently lowered their iron ore price assumptions to reflect the current challenging market conditions.

Chief Financial Officer Stephen Pearce noted that "it is pleasing that S&P has recognised Fortescue's ongoing commitment to sustainable cost reductions and operational efficiencies which continue to deliver strong financial results in these challenging market conditions."

S&P affirmed its Corporate Family Rating for Fortescue at BB with a negative outlook. It has also affirmed its ratings at BB on the Senior Secured Notes and 'B+' on the Senior Unsecured Note.

The rating update has no impact on Fortescue's debt capital structure.

Yours sincerely

Fortescue Metals Group Ltd

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Company Secretary

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