

23 August 2016



The Companies Officer
Australian Securities Exchange Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Sir or Madam

Moody's upgrades Fortescue's credit ratings

Fortescue Metals Group Ltd (ASX: FMG) refers to the previous announcement on 23 August 2016 and advises of a clarification to the credit rating upgrade as attached.

Moody's has upgraded Fortescue's senior secured credit rating to Ba1 and the senior unsecured credit rating to B1.

Yours sincerely
Fortescue Metals Group Ltd

Ian Wells
Company Secretary

Media contact:
Luke Forrestal
| **E:** mediarelations@fmgl.com.au | **M:** +61 411 479 144

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Moody's upgrades Fortescue's credit ratings

Moody's Investors Service (Moody's) has today upgraded the corporate family rating of Fortescue Metals Group Ltd (ASX:FMG) to Ba2 from Ba3. At the same time, Moody's has also upgraded the senior secured credit rating to Ba1 and the senior unsecured credit rating to B1.

In its update, Moody's noted that the upgrade "reflects the considerable progress that the company has made in reducing its debt levels," and further "the company's ongoing cost and debt reduction initiatives will allow it to maintain conservative financial metrics over the next 12-24 months..."

Chief Financial Officer Stephen Pearce said "Through excellent operational performance, Fortescue has continued to generate significant free cash flows, reducing debt and strengthening our balance sheet. It is pleasing that Moody's have formally acknowledged Fortescue's cost performance and the continued execution of our debt reduction strategies which have improved Fortescue's credit metrics."

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

Yours sincerely
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