Fortescue
The New Force in Iron Ore

Not for Release in the United States

9 November 2013

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

Dear Sir

Successful Term Loan Re-pricing Reduces Margin by 1.00%

Fortescue Metals Group (ASX: FMG, Fortescue) announces that lead arrangers Credit Suisse and JP Morgan have successfully completed the amendment and repricing process for the Senior Secured Credit Facility.

In repricing the Facility, the Company has reduced the previous Margin of 4.25% by 1.00% to 3.25%, and extended the maturity to June 30, 2019. The initial Margin of 3.25% will decrease further as Fortescue reduces leverage through debt reduction.

A key summary of the changes to the Facility are as follows:

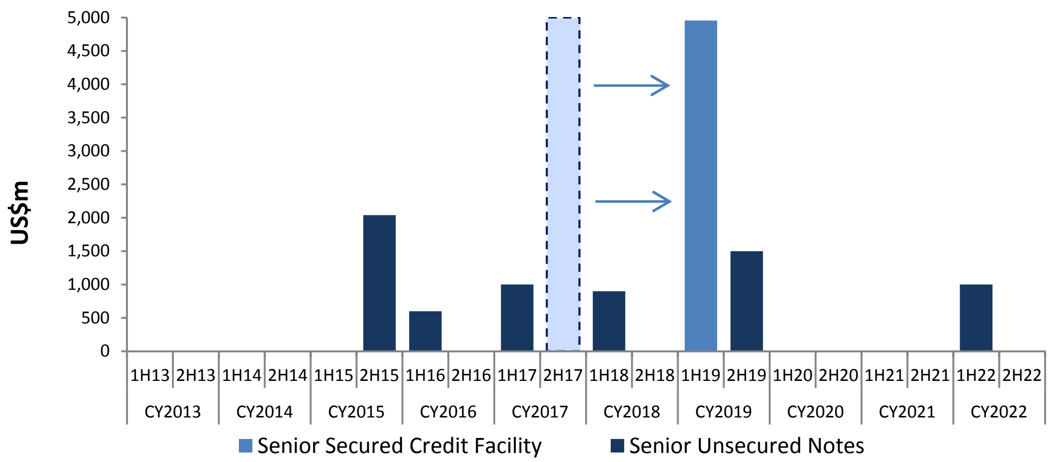
1. The current Margin of 4.25% has been initially reduced to 3.25%. This 1.00% reduction represents an annual interest saving of approximately US$50 million per annum;
2. Six months after the closing of the Facility the Margin will be subject to a Leverage Ratio calculation. A reduction in Fortescue's current leverage levels will result in a further reduction in the Margin;
3. If Fortescue achieves a Leverage Ratio of 2.5 times or less, the Margin will reduce by a further 0.50% to 2.75%. This would represent a total saving of 1.50%; and
4. The maturity date has been extended by 21 months to June 30, 2019

Other key points:

1. The repricing of the Facility will not increase Fortescue's debt position;
2. Fortescue retains the ability to make early voluntary repayments of the Facility at the company's option;
3. Terms and conditions of the Facility remain consistent with the company's Unsecured Notes and do not contain financial maintenance covenants.

Chart 1 below demonstrates the change to Fortescue's debt maturity profile.

Chart 1: Debt Maturity Profile



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A summary of the key terms and conditions are as follows:

Principal amount	US$4,950m
Maturity	June 30, 2019
Coupon	LIBOR + initial Margin of 3.25%
LIBOR Floor [1]	1.00%
Margin	Six months after close of the Facility the Margin will be subject to the following Leverage Ratio table. The Leverage Ratio is calculated semi-annually based on the preceding 12 month period
Guarantors	Fortescue and all material subsidiaries
Leverage Ratio	The ratio of Consolidated Total Debt to Consolidated Cash Flow. Consolidated Cash Flow can be approximated by using EBITDA
Terms and conditions	The facility has no maintenance covenants and is repayable at the company's option at par, without penalty. The facility has a 1% penalty in the case of a refinancing, prior to the first anniversary of maturity.
Amortisation	1% per annum

Leverage Ratio	Margin
>3.85x	3.50%
3.85x	3.25%
3.00x	3.00%
<2.50x	2.75%

[1] LIBOR Floor represents the minimum LIBOR base used to calculate the coupon.

Fortescue CEO Nev Power said he was pleased with the support of US capital markets and the great work achieved in Perth and New York by the combined Fortescue, Credit Suisse and JP Morgan teams. "The result again demonstrates the market's confidence in our strategy of ramping up production and then progressively repaying the debt that has funded our expansion," Mr Power said.

Fortescue CFO Stephen Pearce said, "Fortescue has again received exceptionally strong support from the US debt capital markets. The amended terms of the Facility reflect Fortescue's improving credit profile, with the ability to realise further savings in interest costs as leverage decreases through debt reduction and increased earnings. In the past 12 months Fortescue has consolidated its operational position, reduced production costs and continued to ramp up production as the 155Mtpa Expansion nears completion. With stable iron ore market conditions and the commitment to actively reduce debt in advance of formal maturity, the Company is in a very strong financial position."

Yours sincerely
Fortescue Metals Group Ltd

Mark Thomas
Company Secretary

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