



**Not for Release in the United States**

18 September 2012

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

Dear Sir

### **Fortescue Secures Financial Flexibility**

Fortescue Metals Group (ASX: FMG, Fortescue) announces that it has secured an underwritten commitment for a Senior Secured Credit Facility of up to US\$4.5 billion (“the Facility”). This Facility will be used to refinance all existing bank facilities and provide Fortescue with additional liquidity.

The Facility extends the earliest repayment date for any of the company's debt to November 2015 and removes financial maintenance covenants which applied under previous facilities.

Credit Suisse and JP Morgan, two of the world's leading banks have together signed a full underwriting commitment for the Facility, providing funding certainty to Fortescue.

The key terms of the Facility include:

Principal amount	US\$4.5 billion
Maturity	5 years
Guarantors	Fortescue and material subsidiaries
Security	Secured over the assets of Fortescue and each material subsidiary subject, in certain cases, to obtaining third party consents.
Conditions	Documentation and customary adverse change conditions.

In addition, strong interest has been expressed to Fortescue by a range of parties interested in partnering with Fortescue in certain of its assets. Fortescue is currently evaluating these approaches. Transactions of this nature are not required under Fortescue's new debt facilities and will only be pursued if they clearly add shareholder value.

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The company will keep the market informed as to the progress of these discussions in accordance with usual disclosure obligations.

For further details please refer to the attached media release.

Yours sincerely  
**Fortescue Metals Group Ltd**

**Mark Thomas**  
Company Secretary

*This announcement has been prepared for use in Australia and may not be released in the United States. This announcement does not constitute an offer of securities for sale in the United States. Securities may not be offered or sold in the United States without registration under the US Securities Act of 1933, as amended, unless pursuant to an exemption from registration.*

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## Media Release

### Fortescue Secures Financial Flexibility

Fortescue Metals Group (ASX: FMG, Fortescue) announced today that it has secured an underwritten commitment for a Senior Secured Credit Facility of up to US\$4.5 billion ("the Facility") by two of the world's leading banks, Credit Suisse and JP Morgan. The Facility will be used to refinance all existing bank facilities and provide Fortescue with additional liquidity.

Fortescue had initiated discussions to restructure its bank facilities and remove earnings based covenants well in advance of the next review in December 2012. This new Facility removes these covenants and extends the Company's debt maturity profile. The earliest repayment date for any of the Company's debt is now November 2015.

"Fortescue took decisive action to secure a facility that underwrites our liquidity and maximises flexibility. This action, together with our previously announced measures, will continue to build on Fortescue's profitability, liquidity and above all, removes uncertainty around our financing arrangements," said Nev Power, CEO of Fortescue Metals Group.

"Fortescue has moved quickly to ensure its capital structure can withstand prolonged market volatility."

In addition, strong interest has been expressed to Fortescue by a range of parties interested in partnering with Fortescue in certain of its assets. Fortescue is currently evaluating these approaches. Transactions of this nature are not required under Fortescue's new debt facilities and will only be pursued if they clearly add shareholder value.

"These new measures, together with additional operating cashflow generated from near-term volume increases at Christmas Creek and low cost tonnes from Solomon, will place Fortescue in a strengthened position toward our long-term production goals," Mr Power concluded.

#### Media inquiries:

Nathan Vass  
0405 040 133  
[nvass@fmgl.com.au](mailto:nvass@fmgl.com.au)

Yvonne Ball  
0417 937 904  
[yball@fmgl.com.au](mailto:yball@fmgl.com.au)