

18 January 2018

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



Dear Madam or Sir

APPOINTMENT OF MR CAO ZHIQIANG, CHAIRMAN OF HUNAN VALIN IRON AND STEEL GROUP COMPANY LTD TO FORTESCUE'S BOARD

Fortescue Metals Group Ltd (ASX: FMG, Fortescue) advises that Mr Cao Zhiqiang, Chairman of Hunan Valin Iron and Steel Group Company Ltd (Valin) has been appointed to its Board of Directors, replacing Mr Cao Huiquan who has resigned to take up a new role.

Mr Cao Zhiqiang has been nominated by Valin pursuant to the Valin Subscription Agreement, which was announced to the ASX on 25 February, 2009.

Announcing the appointment, Fortescue's Chairman Mr Andrew Forrest AO thanked Mr Cao Huiquan for his contributions as a member of Fortescue's Board since February, 2012.

"The perspective provided by Mr Cao Huiquan on China's steel market and its unprecedented contribution to global growth and development has been invaluable, and we congratulate him on his new role as Party Secretary and Vice Chairman of Hunan Economic and Information Technology Commission."

"We welcome the appointment of Mr Cao Zhiqiang who brings extensive experience in technology and steel mill management along with a deep background in international co-operation to our Board. As Chairman of Valin, ranked in the top ten largest Chinese steel mills and one of Fortescue's most important customers, Mr Cao will continue to provide valuable perspectives and observations on market demand to further build the Board's strong understanding of the market and facilitate the close cooperation between Fortescue and the Valin Group," Mr Forrest said.

Yours sincerely

Fortescue Metals Group Ltd

Alison Terry
Company Secretary

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Background

Hunan Valin Group is the largest state owned enterprise in Hunan Province. It is among the top ten steel groups in China and was also one of the top ten most profitable steel groups in China in 2017. The Chairman of Hunan Valin is concurrently the Vice Chairman of the China Iron & Steel Association.

Valin currently holds 13.97% of Fortescue's issued capital and is the company's second largest shareholder, representing one of the most successful investments by a Chinese company in Australia.

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