

20 February 2015



The Companies Officer
Australian Stock Exchange
Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sir

Consolidation of Mining Services Contracts to deliver further efficiency

Fortescue Metals Group Limited (ASX: FMG, Fortescue) has secured further productivity and efficiency in its operations by consolidating arrangements for mining services at its Christmas Creek operation into a single contract awarded today to Downer EDI Limited (Downer).

Both Downer and Macmahon Holdings Ltd (Macmahon) had previously been contracted to provide mining services at the operation. The consolidation of the work into a single contract allows better utilisation of equipment and resources at the site significantly reducing the mining costs and improving efficiency.

A two-month transition will allow for a safe and orderly changeover to the new arrangement, which extends Downer's scope of operations to include Christmas Creek 1 and 2 commencing in April 2015. The contract awarded is valued at approximately A\$650m through to its expiry in September 2016. The contract contains an option to extend for one year.

Fortescue Chief Executive Officer Mr Nev Power said the consolidation to a single contractor afforded Fortescue considerable productivity and efficiency gains.

"This decision allows Fortescue to achieve additional productivity and efficiency gains by bringing the two Christmas Creek mining operations together, significantly reducing mining costs," Mr Power said.

"This represents yet another step in Fortescue's concerted drive to increase our global competitiveness," he said.

Yours sincerely
Fortescue Metals Group

Ian Wells
Company Secretary

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