

21 February 2018



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

Dear Madam or Sir

**US\$1.4 billion offer to repay debt**

Fortescue Metals Group Ltd (ASX:FMG) is launching a US\$1.4 billion debt repayment offer for the 2022 9.75% Senior Secured Notes via a tender.

The Company has offered to purchase up to US\$1.4 billion in aggregate principal via a tender. Note holders can tender their 2022 Senior Secured Notes at US\$1.1025 per US\$1.00 of principal.

Chief Financial Officer Ian Wells noted that a tender offer is commonplace in the US debt capital market and will be finalised over the next few weeks. Mr Wells said "This offer is an important part of Fortescue's long term capital management strategy of increased flexibility and lowering of Fortescue's cost of capital."

The attached press release is required for U.S. regulatory purposes and sets out details of the tender offer process.

This ASX release does not constitute an offer to participate in the tender offer. The tender offer is being made pursuant to an offer to purchase and a related letter of transmittal.

Yours sincerely

**Fortescue Metals Group Ltd**

**Alison Terry**  
Company Secretary

**Media contact**  
Michael Vaughan, Fivemark Partners  
E: [mediarelations@fmgl.com.au](mailto:mediarelations@fmgl.com.au)  
M: +61 422 602 720

**Investor Relations**  
Stuart Gale  
E: [investorrelations@fmgl.com.au](mailto:investorrelations@fmgl.com.au)

MEDIA RELEASE



## **FORTESCUE ANNOUNCES OFFER TO PURCHASE FOR CASH CERTAIN OF ITS DEBT SECURITIES**

**PERTH, 21 FEBRUARY 2018:** FMG Resources (August 2006) Pty Ltd (the “Company”), an Australian corporation and a direct wholly-owned subsidiary of Fortescue Metals Group Ltd (“Fortescue”) (ASX: FMG), an Australian corporation, announced today that it is offering to purchase for cash up to US\$1,400,000,000 (the “Tender Cap”) in aggregate principal amount of its 9.750% Senior Secured Notes due 2022 (the “Notes”). The complete terms of the tender offer are set forth in an Offer to Purchase, dated as of today (the “Offer to Purchase”), and the related Letter of Transmittal (the “Letter of Transmittal”) and any amendments or supplements thereto.

The Early Participation Date for the tender offer is 5:00 p.m., New York City time, on March 7, 2018, and the Expiration Date is 11:59 p.m., New York City time, on March 21, 2018. The “Total Consideration” payable to Holders that validly tender (and do not validly withdraw) their Notes on or prior to the Early Participation Date for each US\$1,000 principal amount accepted for purchase by the Company pursuant to the applicable tender offer shall be a price equal to the amount shown for such series of Notes in the table below. The Total Consideration includes the applicable Early Participation Payment.

Holders that validly tender their Notes after the Early Participation Date but at or before the Expiration Date, and provided they do not subsequently validly withdraw, will receive only the applicable Tender Offer Consideration, which is the applicable Total Consideration less the applicable Early Participation Payment. In addition to the Total Consideration or the Tender Offer Consideration, as applicable, Holders that validly tender (and do not subsequently validly

**The New Force in Iron Ore**  
**[www.fmgl.com.au](http://www.fmgl.com.au)**

**Fortescue Metals Group Limited** ABN 57 002 594 872 ACN 002 594 872  
**ADDRESS** Level 2, 87 Adelaide Terrace, East Perth, Western Australia 6004  
**TEL** +61 8 6218 8888 **FAX** +61 8 6218 8880 **EMAIL** [fmgl@fmgl.com.au](mailto:fmgl@fmgl.com.au)

withdraw) their Notes and whose Notes are accepted for purchase by the Company in the tender offer will receive accrued and unpaid interest from the last applicable interest payment date for the Notes up to, but excluding, the applicable settlement date (“Accrued Interest”).

The following table sets forth for the Notes the applicable securities identifiers, the aggregate principal amount outstanding, the Tender Cap, the Tender Offer Consideration, the Early Participation Payment and the Total Consideration:

<b>Title of Security</b>	<b>CUSIP</b>	<b>ISIN</b>	<b>Aggregate Principal Amount Outstanding</b>	<b>Tender Cap</b>	<b>Tender Offer Consideration<sup>(1)</sup> (3)</b>	<b>Early Participation Payment<sup>(3)</sup></b>	<b>Total Consideration<sup>(2)</sup> (3)</b>
9.750% Senior Secured Notes due 2022	144A: 30251GAS6 Reg S: Q3919KAH4	144A: US30251GA566 Reg S: USQ3919KAH43	US\$2,160,441,000	US\$1,400,000,000	US\$1,097.50	US\$5.00	US\$1,102.50

(1) All Holders whose Notes are accepted for purchase will also receive the applicable accrued and unpaid interest on the purchased Notes from the last interest payment date for the Notes up to, but excluding, the applicable Settlement Date.

(2) The Total Consideration for the Notes includes the Tender Offer Consideration plus the Early Participation Payment, which is payable only to Holders that validly tender, and do not validly withdraw, their Notes on or prior to the Early Participation Date.

(3) Per US\$1,000 principal amount of Notes tendered and accepted for purchase by the Company, excluding Accrued Interest.

The tender offer is subject to various conditions, including a condition that the Company shall have completed one or more syndicated loan and/or capital markets transactions on terms satisfactory to the Company, providing net proceeds that are at least sufficient to pay the Total Consideration and Accrued Interest for all the tendered Notes (up to the Tender Cap), plus all fees and expenses in connection with the tender offer (the “Financing Condition”).

The Company may modify or terminate the tender offer and may extend the Early Participation Date, Expiration Date or any payment date with respect to the tender offer.

If the Financing Condition is satisfied prior to the Expiration Date, the Company reserves the right, in its sole discretion, at any point following the Early Participation Date and before the Expiration Date, to accept for purchase and pay for any Notes tendered on or prior to the Early Participation Date. Payment for Notes that are validly tendered by the Holders and accepted for purchase by the Company but not purchased prior to the Expiration Date will be made on the final settlement date, which is anticipated to occur on the business day after the Expiration Date.

The Company's acceptance for purchase of the Notes is subject to the Tender Cap. If the aggregate purchase price of Notes (not including accrued interest) that are validly tendered and not withdrawn would exceed the Tender Cap, the amount of Notes accepted for purchase may be subject to proration with the proration factor depending on the aggregate purchase price of the Notes validly tendered. If the aggregate purchase price of Notes tendered on or prior to the Early Participation Date equals, or exceeds, the Tender Cap, holders who tender Notes after the Early Participation Date will not have any of their Notes accepted for purchase. If the aggregate purchase price of Notes tendered on or prior to the Early Participation Date does not exceed the Tender Cap, Holders who validly tender Notes after the Early Participation Date may be subject to proration, but Holders who validly tender Notes on or prior to the Early Participation Date and whose Notes are accepted for purchase will not be subject to proration. The Company reserves the right, in its sole discretion, subject to applicable law, to increase the Tender Cap without extending the withdrawal rights; however, there can be no assurance the Company will do so.

This press release, including the following, is qualified in its entirety by the Offer to Purchase and, where applicable, the Letter of Transmittal.

The Company and Fortescue have retained J.P. Morgan Securities LLC ("J.P. Morgan") as the Dealer Manager for the tender offer. Ipreo LLC ("Ipreo") is acting as the Information Agent and Depositary for the tender offer. For additional information regarding the terms of the tender offer, please contact J.P. Morgan at (866) 834-4666 (toll-free) or (212) 834-2494 (collect). Requests for documents and questions regarding the tendering of Notes may be directed to Ipreo by telephone at (888) 593-9546 (toll-free), facsimile at (888) 254-6152, or by email at [tenderoffer@ipreo.com](mailto:tenderoffer@ipreo.com).

This news release does not constitute an offer or an invitation to participate in the tender offer or consent solicitations. The tender offer is being made pursuant to the Offer to Purchase and the Letter of Transmittal, copies of which will be delivered to holders of the Notes, and which set forth the complete terms and conditions of the tender offer. Holders are urged to read the Offer to Purchase and the Letter of Transmittal carefully before making any decision with respect to their Notes. The tender offer is not being made to, nor will the Company accept tenders of Notes or delivery of consents from, holders in any jurisdiction in which it is unlawful to make such an

**The New Force in Iron Ore**

**[www.fmgil.com.au](http://www.fmgil.com.au)**

offer or solicitation. None of Fortescue, the Company, their board of directors, the Dealer Manager, the Information Agent and Depositary or the trustee for the Notes makes any recommendation as to whether holders should tender Notes in response to the tender offer. Neither the Offer to Purchase nor any related documents have been filed with, and have been approved or reviewed by any federal or state securities commission or regulatory authority of any country. No authority has passed upon the accuracy or adequacy of the Offer to Purchase or any related documents, and it is unlawful and may be a criminal offense to make any representation to the contrary.

Certain statements in this press release, including those describing the completion of the tender offer, constitute forward-looking statements. These statements are not historical facts but instead represent only Fortescue's belief regarding future events, many of which, by their nature, are inherently uncertain and outside Fortescue's control. It is possible that actual results will differ, possibly materially, from the anticipated results indicated in these statements.

---

**Media Contact:**

Michael Vaughan  
Mobile: +61 422 602 720  
Email: [mediarelations@fmgl.com.au](mailto:mediarelations@fmgl.com.au)