

Not for Release in the United States

26 March 2018



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

Dear Madam or Sir

Fortescue announces redemption of US\$1,552 million of Senior Secured Notes

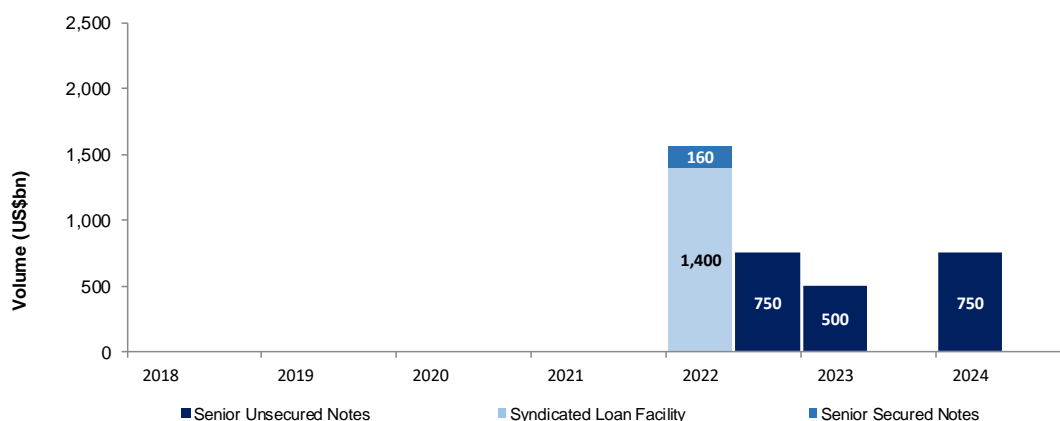
Fortescue Metals Group (ASX: FMG, Fortescue) has today issued a voluntary redemption notice of US\$1,552 million in relation to the 9.75% Senior Secured Notes due in 2022 (the “Notes”).

The combination of proceeds from the US\$1.4 billion Term Loan signed on 21 February 2018, the issue of US\$500 million of Senior Unsecured Notes on 1 March 2018 and US\$100 million cash, enables the repayment of US\$2.0 billion of the outstanding balance of the Notes as follows:

- Principal value of US\$448 million of the Notes was redeemed through a tender offer which settled on 21 March, 2018;
- Principal value of US\$1,552 million will be redeemed and settled on 27 April 2018; and
- The tender and redemption of the Notes will attract a premium of 9.75% of the principal value.

The remaining balance of the Notes of US\$160 million is anticipated to be retired from operating cash flows. Upon completion, the combination of refinancing and debt repayment will lower annual borrowing costs by approximately US\$130 million. The following chart shows Fortescue’s pro-forma debt maturity profile at 30 April 2018.

Chart 1: Pro-forma Debt Maturity Profile as at 30 April 2018



Fortescue's Chief Financial Officer, Ian Wells said "Completion of our refinancing strategy is another important milestone for Fortescue. The successful implementation of this strategy reduces total debt and at the same time delivers a flexible, low cost capital structure for the business."

Yours sincerely

Fortescue Metals Group Ltd

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