

Not for Release in the United States

2 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

Successful Completion of US\$500m High Yield Bond Offering

Fortescue Metals Group Limited (Fortescue) (ASX: FMG) has today priced an offering of US\$500 million of 5.125% Senior Unsecured Notes due 2023. The offering is expected to settle on or about 15 March 2018, subject to customary closing conditions.

Key highlights of the offering are as follows:

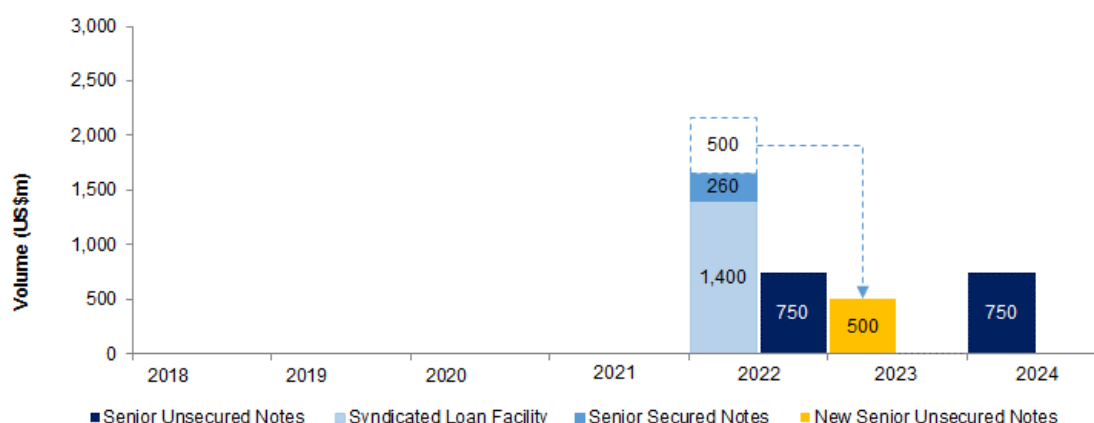
- Refinances a further US\$500 million of the 9.75% US\$2,160 million Senior Secured Notes
- Significantly lowers Fortescue's cost of capital
- Terms and conditions reflective of Fortescue's improved credit profile

The existing US\$2,160 million Senior Secured Notes will be redeemed through a combination of proceeds from the recently announced US\$1,400 million Term Loan and these Senior Unsecured Notes of US\$500 million, with the balance redeemed from cash. Upon completion, the combination of refinancing and debt repayment will lower annual borrowing costs by approximately US\$130 million.

Fortescue Chief Financial Officer, Mr Ian Wells said "The success of this issue reflects the continued support of the US capital markets and is a key part of executing Fortescue's capital management strategy. The completion of the offering is another step in the transition from an all-asset secured capital structure to one which reflects that of an investment grade company, delivering low cost flexible debt."

Fortescue Chief Executive Officer, Ms Elizabeth Gaines said "We are very pleased with our recent refinancing transactions which have resulted in a flexible low-cost capital structure. We will continue to be disciplined in our approach to capital management and debt repayment, reinvestment in our iron ore business, identification of low cost growth opportunities and delivering returns to our shareholders."

The following chart shows Fortescue's pro forma debt maturity profile after the redemption of Senior Secured Notes through a combination of US\$1,400 million Term Loan and Senior Unsecured Notes of US\$500 million.



Details of the Senior Unsecured Notes are provided below:

Principal Amount	US\$500 million
Interest Rate	5.125% per annum
Term	5 years non-call life
Guarantors	Fortescue Metals Group Limited
Ranking of the Notes	Pari passu with all existing and future senior unsecured indebtedness

Yours sincerely

Fortescue Metals Group Ltd

Cameron Wilson

Company Secretary

Media contact

Michael Vaughan, Fivemark Partners

E: mediarelations@fmgl.com.au

M: +61 422 602 720

Investor Relations

Stuart Gale

E: investorrelations@fmgl.com.au