

27 April 2016

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



Dear Sir/Madam

Fortescue initiates US\$577 million repayment of 2019 Notes

Fortescue Metals Group (ASX: FMG, Fortescue) has initiated a US\$577 million repayment of debt today by issuing a voluntary redemption notice to holders of the 8.25% Senior Unsecured Notes due in 2019 (“Notes”).

The US\$577 million of Notes outstanding will be redeemed in full, from accumulated cash on hand, on Wednesday June 1, 2016 generating additional interest savings of US\$48 million per annum.

Fortescue Chief Executive Officer, Nev Power said, “This debt repayment delivers on our sustained commitment to reduce all-in costs, further generating strong cash flows and continuing to reduce our debt.”

Fortescue Chief Financial Officer, Stephen Pearce said, “Today’s announcement brings the amount of debt Fortescue has repurchased in the last 12 months to US\$1.7 billion, with our total debt repayments in the last two and a half years now exceeding US\$4.8 billion.”

“As previously flagged, we will continue to repay debt using accumulated cash balances and operating cash flows.”

The key terms of the redemption are listed below:

Redemption value	US\$577 million
Redemption date	Wednesday June 1, 2016
Redemption conditions	Notes are redeemable at 100% of principal value, plus a redemption premium of 4.125%.

Yours sincerely

Fortescue Metals Group Ltd

Ian Wells
Company Secretary

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