

16 December 2016



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

Dear Sir or Madam

Fortescue announces a further US\$1.0 billion repayment of 2019 Term Loan

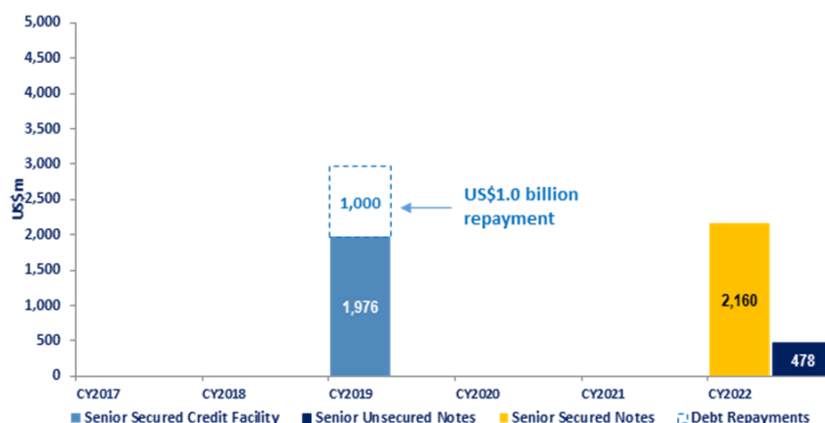
Fortescue Metals Group (ASX: FMG, Fortescue) has issued a US\$1.0 billion repayment notice for the 2019 Senior Secured Credit Facility ("Term Loan").

In line with Fortescue's previously announced strategy, this US\$1.0 billion repayment of the Term Loan will be made at par on Friday 23 December 2016 resulting in annual interest savings of approximately US\$38 million.

Chief Executive Officer, Nev Power, said "This US\$1.0 billion payment is a continuation of our focussed debt repayment strategy and further lowers our total cost position. Fortescue's nearest debt maturity is in June 2019 and is now less than US\$2.0 billion with gross gearing falling below our targeted 40 per cent level once this payment is made."

"Our productivity and efficiency initiatives have achieved sustained cost reductions and combined with buoyant market conditions are generating significant free cash flow which will further strengthen Fortescue's balance sheet."

Fortescue's pro forma maturity profile after repayment of the Term Loan on 23 December 2016 is set out in the chart below.



Yours sincerely
Fortescue Metals Group Ltd

Ian Wells
Company Secretary

Media contact:
Michael Cairnduff
E: mediarelations@fmgl.com.au
M: +61 406 775 241

Investor Relations contact:
Stuart Gale
E: investorrelations@fmgl.com.au