

1 September 2020

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

Dear Madam or Sir

### **FORTESCUE FUTURE INDUSTRIES PTY LTD: DEED OF AGREEMENT**

Fortescue Metals Group Ltd (Fortescue) confirms that its wholly owned subsidiary, Fortescue Future Industries Pty Ltd (Fortescue Future Industries), has entered into a Deed of Agreement with the Papua New Guinea (PNG) Government and its wholly owned corporation, Kumul Consolidated Holdings Limited (KCH).

Under the Deed, the parties will promptly investigate the feasibility of potential projects for development of PNG's hydropower resources to support green industrial operations largely for export to global markets, and also for domestic consumption. This is consistent with Fortescue's record of delivering both capital growth and yield to our shareholders while sharing the benefits of sustainable development and employment with our local communities.

Fortescue Future Industries shares Fortescue's commitment to a green industry future and will work closely with local people and communities to establish training and long term careers. This is fully aligned with Fortescue's approach from its inception that the communities in which we operate will benefit from our growth and development.

Subject to the completion of feasibility studies and approvals, individual projects will be developed by Fortescue Future Industries with ownership and project finance sources to be separately secured without recourse to Fortescue. Execution of studies and approach to capital investment will be consistent with Fortescue's track record of developing multi billion dollar projects in the Pilbara, at an industry leading capital intensity.

Fortescue is a values-based business, committed to our strategic goals of ensuring balance sheet strength and flexibility, investing in the long term sustainability of our core business while pursuing growth and development opportunities. Our dividend policy remains a payout ratio of 50 to 80 per cent of Net Profit After Tax as we continue to deliver capital growth and superior returns to our shareholders. We do so by targeting the upper end of our dividend payout range.

Yours sincerely

**Fortescue Metals Group Ltd**

**Authorised by**  
**Cameron Wilson**  
Company Secretary

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