



Forrests' wind farms sold to Fortescue after blow to hydrogen plan

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Body

Fortescue has quietly taken ownership of two Queensland wind farm projects previously owned by private companies controlled by its biggest shareholders, Andrew and Nicola Forrest.

The Prairie and Wongalee wind projects near the Queensland town of Hughenden are now owned by **Fortescue** rather than subsidiaries of the Forrest family's privately owned Squadron Energy, according to documents filed to the Australian Securities and Investments Commission.

Dr Forrest, **Fortescue**'s executive chairman, said last week that the iron ore miner would slow its push into green hydrogen and would instead focus on generating renewable energy. **Fortescue** executives presented the company's quarterly production report to investors yesterday.

The Forrest family owns 36.74 per cent of **Fortescue**, which has pivoted to clean energy in the past five years.

Squadron bought 75 per cent of wind power developer Windlab in 2020, under a deal that meant Federation Asset Management owned the remaining 25 per cent. Windlab has been developing wind farms, including the undeveloped Prairie and Wongalee wind projects in Queensland.

A Windlab subsidiary - Wongalee Renewable Energy Farm - applied to federal environment regulators last year for permission to install 175 wind turbine generators across 48,000 hectares of land near Hughenden.

Windlab's shareholding in the Wongalee subsidiary was transferred to Australian **Fortescue** Future Industries on February 23 - the day after **Fortescue**'s half-year financial results were released. **Fortescue** has not mentioned the acquisition of the Wongalee project in any market filings.

Ownership of the Prairie wind farm has followed a similar path.

A Windlab subsidiary - Prairie Renewable Energy Farm - applied to regulators in 2022 for permission to build 116 wind turbines near Hughenden. But documents lodged with the corporate regulator show that, on February 23, Windlab's ownership of the subsidiary was transferred to Australian **Fortescue** Future Industries.

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The closest **Fortescue** has come to disclosing its connection to the Prairie and Wongalee projects was in November 2022, when the company issued a press release - but not a market filing - that said **Fortescue** would "partner" with Windlab on a renewables "super hub" that included the two projects.

That statement did not say that **Fortescue** would take ownership of the two wind farms, or whether the company would help fund construction.

The Wongalee and Prairie wind projects have not been mentioned in **Fortescue**'s annual report, financial results or capital spending schedules in the 20 months since the November 2022 press release.

Asked about the wind farms yesterday, **Fortescue** energy boss Mark Hutchinson said the company had originally thought they could supply clean energy to its proposed green hydrogen projects in Queensland.

Fortescue will not build any large-scale green hydrogen projects in Queensland any time soon and its small hydrogen project at Gladstone will purchase power from the grid.

Mr Hutchinson said the wind farms could be "repurposed" to supply power into the national electricity grid, but that would probably require the Queensland government to build the CopperString electricity transmission project between Townsville and Mt Isa.

Mr Hutchinson said **Fortescue** would not incur any significant spending on Wongalee nor Prairie "for a few years" at least.

ASIC filings suggest Australian **Fortescue** Future Industries acquired Wongalee and Prairie for an initial peppercorn price of \$1 each. It is understood the agreement between Windlab and **Fortescue** would see further payments made to Windlab if certain construction and energy generation milestones are achieved.

Windlab has said construction on the wind farms could begin as soon as 2025, with first power as early as 2027. However, Mr Hutchinson hosed down those expectations, saying yesterday that it was "very early days".

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