



DO OR DIE ON GREEN PROJECT

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Body

Fortescue hit by Iron Bridge troubles **Fortescue** Energy boss Mark Hutchinson says the company is likely to make a decision in February on whether to push ahead with its biggest Australian green hydrogen project as the company's mining division hits more troubles with its Iron Bridge magnetite project.

Fortescue delivered its December quarter production report on Thursday, blaming ongoing troubles with the water supply to Iron Bridge for a decision to again slash production guidance, and saying another \$US140m (\$213m) would need to be spent on work to get the plant running at full tilt.

It is the second time in six months that **Fortescue** has cut export guidance from the troubled operation, after initially flagging exports of 7 million tonnes for the full financial year. In September, **Fortescue** said it expected to ship about 5 million tonnes of magnetite concentrate from Iron Bridge this financial year, but has so far managed only five cargoes.

The company, which is controlled by billionaire Andrew Forrest, said shipments from the facility could reach as little as only 40 per cent of that 5 million tonne guidance, with a new range of 2-4 million tonnes.

Fortescue said it was still having trouble with supply from its borefields for the water-hungry operation, where a high pressure water line keeps springing leaks.

"Work is under way to evaluate options to de-risk and improve the performance of the high-pressure section (65km) of the raw water pipeline, where the leaks have occurred. It is anticipated that replacing this section of the pipeline would not materially impact Iron Bridge's ramp up schedule and would require investment of approximately \$US100m (**Fortescue's** share)," it said.

It has said it still expects to ship 192-197 million tonnes for the full-year, despite the troubles at Iron Bridge and a derailment on its iron ore line in the Pilbara, which stopped trains for four days over the New Year weekend.

After falling short of its promise to reach a final investment decision on as many as five green energy projects in 2024, it was likely to make a call on its biggest planned hydrogen project in Australia, Mr Hutchinson said.

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Fortescue announced the approval of two projects from its energy division in November, ticking off plans for small hydrogen production plants in Phoenix in the US and at Gladstone in Queensland.

At the time, **Fortescue** said it would fast-track a decision on larger projects in Norway, Kenya and Brazil.

But the company put off any decision on its Gibson -Island proposal in Brisbane, where **Fortescue** has been working with Incitec Pivot on a green hydrogen feed for Incitec's mothballed fertiliser plant.

Mr Hutchinson told reporters and analysts that a final decision on the plant was likely at **Fortescue**'s board meeting in February. **Fortescue** shares closed up 2 per cent to \$28.97.

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