



Fortescue D-Day looms

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Body

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 an additional \$US140m (\$213m) will 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 40 per cent of that 5 million tonne guidance, giving a new range of 2 to 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.

Fortescue owns about 70 per cent of the operation, with the remainder controlled by Taiwan's Formosa.

After falling short of its promise to reach a final investment decision on as many as five green energy projects in 2023, the company is likely to make a call on its biggest planned hydrogen project in Australia, Mr Hutchinson said.

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 United States and at Gladstone in Queensland.

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

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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.

At the time, **Fortescue** cited high Australian energy costs for the deferral. In late December, Genex Power told the market it had extended a deadline for **Fortescue** to close a deal for power from its proposed Bulli Creek solar farm by two months until the end of February.

Mr Hutchinson told reporters and analysts that a final decision on the plant was likely at **Fortescue**'s board meeting. "We're working hard to get this project over the line. We have a board meeting coming up later in February and I would imagine there will be a 'go or no go' decision made at that board meeting," he said.

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