

6 July 2021

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

Dear Madam or Sir

FORTECUE FUTURE INDUSTRIES DELIVERS ON AMBITIOUS STRETCH TARGETS

Fortescue Future Industries (FFI), the 100 per cent renewable green energy and industry initiative of Fortescue Metals Group Ltd (Fortescue, ASX: FMG), announces it has reached its 30 June 2021 targets for initial decarbonisation projects, announced on 15 March 2021.

FFI CEO, Julie Shuttleworth AM said, "Fortescue is delighted by these results. We have been mulling over hydrogen for more than a decade, becoming confident that hydrogen could be stored and transported as a zero-carbon fuel several years ago.

"We set out to test the hypothesis that there was sufficient 100 per cent renewable green energy, hydrogen, ammonia and industrial manufacturing potential, for products such as green cement, green fertilizer, green iron and steel, to fully satisfy the world's needs. To do so, Fortescue Chairman, Dr Andrew Forrest AO led two significant overseas expeditions alongside 50 area experts, spending more time on the road than at home in the last 12 months. As a result, the Company has confirmed that hypothesis.

"To demonstrate this within Fortescue, we set ambitious decarbonisation targets for our own heavy industry. These are being driven by FFI's Green Team, who are aiming to eliminate carbon emissions from our own operations. This work commenced in earnest only several months ago and the results have been immense.

"FFI's Green Team has established a major facility at Hazelmere in Perth, where we have been managing and trialing technology on hydrogen, ammonia and battery power for trains, ship engines, haul trucks and drill rigs for technology demonstration. Our dedicated specialist teams have worked relentlessly to bring our own heavy industry decarbonisation into reality," Ms Shuttleworth said.

In summary, FFI's specialist teams have made ground-breaking progress including:

- Successful combustion of ammonia in a locomotive fuel, with a pathway to achieve completely renewable green fuel
- Completion of design and construction of a combustion testing device for large marine (ship) engines, with pilot test work underway and a pathway to achieve completely renewable green shipping fuel
- Finalised design of a next generation ore carrier (ship) that will consume renewable green ammonia, with the Classification Society giving in principle design approval

- Testing of battery cells to be used on Fortescue haul trucks
- Design and construction of a hydrogen powered haul truck for technology demonstration complete, with systems testing underway
- Design and construction of a hydrogen powered drill rig for technology demonstration complete, with systems testing underway
- Successful production of high purity (>97%) green iron from Fortescue ores at low temperature in a continuous flow process
- Successful initial trialling to use waste from the green iron process noted above, with other easily sourced materials, to make green cement.

Fortescue CEO, Elizabeth Gaines said, "At Fortescue, we are leading the heavy industry battle against global warming, transitioning from being a major fossil fuel importer to a significant green and renewable energy and product exporter.

"We are leading by example to decrease emissions across our operations, using our large industrial platform of operating mine sites in the Pilbara to trial and demonstrate technologies in completely renewable green hydrogen, green ammonia and green electricity.

"All of us at Fortescue are committed to its decarbonisation. Our great progress to date and our ongoing projects underpin Fortescue's plan to become a major renewable energy and industry product exporter. As part of this plan, we are aiming to meet or beat our internal global industry-leading target to achieve carbon neutrality by 2030," Ms Gaines said.

Yours sincerely

Fortescue Metals Group Ltd

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