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ORICA AND H2U GROUP TEAM UP ON GLADSTONE GREEN AMMONIA PROJECT

12 Apr 2022



Orica Yarwun Manufacturing Facility

Orica and H2U Group ("H2U") today announced a strategic partnership agreement to initiate the first phase of the proposed H2-Hub™ Gladstone project in Queensland.

With the potential to create over 550 jobs during construction, over 140 ongoing local operational jobs and approximately 1,900 indirect jobs, and attract a \$4.7 billion investment during its phased construction, the project would support a steady transition to renewable energy in Central Queensland and provide the region with the opportunity to capitalise on the developing global green ammonia industry, which is forecast to exceed \$50 billion by 2031.

Signing a Memorandum of Understanding on a master plan study, both parties will explore opportunities for an exclusive domestic green ammonia offtake and supply agreement. The potential agreement would see green ammonia supplied directly to Orica's Yarwun manufacturing plant from H2U's proposed Yarwun green ammonia production plant.

Orica and H2U will also collaborate on the exploration of a potential green ammonia export terminal at the Port of Gladstone, leveraging the existing Orica ammonia storage capacity at the Fisherman's Landing Wharf and the associated connecting infrastructure in the Gladstone State Development Area to facilitate large scale exports.

The H2-Hub™ Gladstone, a multi-billion industrial-scale green hydrogen and ammonia production facility, has a planned capacity of up to 3 gigawatts of electrolysis and up to 5,000 tonnes per day of green ammonia production. It is expected that the proposed facility will use 100 per cent renewable energy from new-build solar and wind resources in the Queensland region of the National Electricity Market. The proposed facility could also contribute to improving the reliability of renewable electricity supply, with the integration of new renewable generation assets in Central Queensland.

Strategically located in the Gladstone region, the project would leverage pre-existing industrial and port ecosystems to produce and supply green ammonia directly to domestic customers, and support export capabilities of green ammonia to key North Asian and European economies.

This partnership brings together Orica and H2U, two leading organisations who are each committed to leveraging existing and future portfolios and assets, accessible land, infrastructure and storage distribution facilities and teams with extensive operational and commercial capabilities to create a more sustainable future for the Gladstone region and strengthen Australia's domestic manufacturing capability.

Orica President - Australia Pacific Germán Morales, said: "We've been operating in Yarwun for over 30 years, and are committed to ensuring our Yarwun facility and the Gladstone region remain competitive in a lower carbon economy, while creating more sustainable products for customers and opportunities across new industries.

“This partnership forms a critical milestone for the H2-Hub™ Gladstone project, and we look forward to working alongside H2U to define opportunities to progress the project and contribute to a more sustainable future for the region.”

H2U Founder and Chief Executive Officer Attilio Pigneri said: “We are delighted to welcome Orica as a strategic offtake and development partner in the H2-Hub™ Gladstone project. Securing participation from one of the leading players in the domestic ammonia industry is a huge vote of confidence in this game-changing project.

“We look forward to working with Orica, the Port of Gladstone, and the Queensland Government to establish Gladstone as a globally leading hub in the emerging green hydrogen and green ammonia export market, and to secure new long-term jobs and economic growth for Central Queensland.”

Acting Premier of Queensland Steven Miles said: “Commitments like this help to propel Queensland towards becoming a clean energy powerhouse and highlight the benefits of investing into Queensland’s regions, creating employment opportunities in the future.

“The Queensland Government has facilitated H2U’s Yarwun land purchase in the State Development Area, which has the eco-system to deliver a project of this scale.”

The master plan study will run for approximately six months with front-end engineering and development approval activities scheduled to commence at the back end of 2022.

The financial investment decision for the Activation phase of development is scheduled by 30 June 2023. With the H2-Hub™ Gladstone scheduled for operational activity to begin in 2025, with the latter Expansion phase to take place between 2027-2030.

1 <https://www.pwc.com/gx/en/industries/energy-utilities-resources/future-energy/green-hydrogen-cost.html>

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