



Holmaneset



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Introduction

Fortescue is committed to developing green energy solutions that power our planet in an environmentally and socially responsible manner. We value the input and feedback from all of our stakeholders (including the local community and the authorities) and aim to create a feedback loop to make informed and responsible project decisions.

The intention of this FAQ is to respond to some of the key themes raised in early engagements with stakeholders regarding the Holmaneset Project. The Project is still in an early phase with many surveys and assessments taking place in the coming year. Information from these surveys and assessments will be used to inform the overall Project design. Fortescue will strive to keep stakeholders updated as the Project progresses.

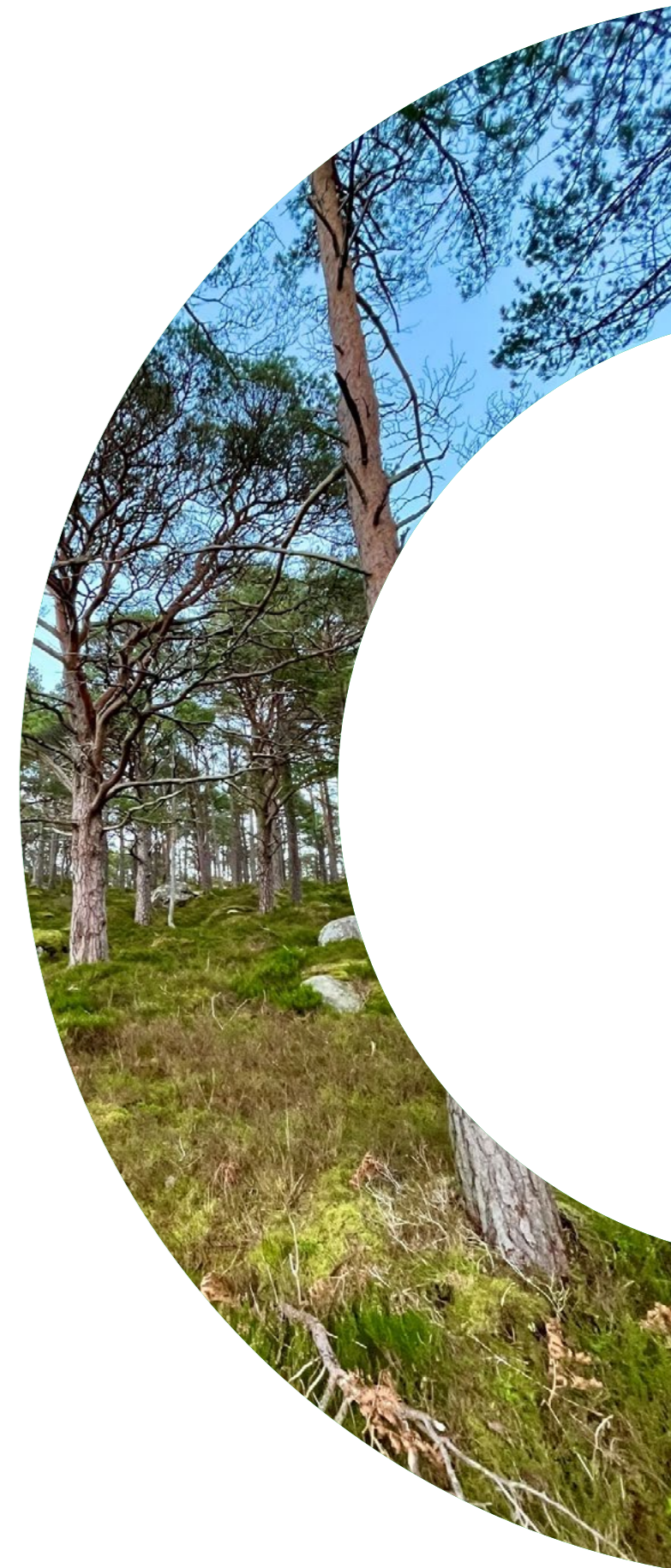
For more information on the Project, production process, hydrogen, ammonia and Fortescue, please visit our website (www.fortescue.com) or contact us at Norway@fortescue.com.

The Holmaneset Project

The proposed Holmaneset Project seeks to utilise surplus renewable energy to power an integrated green hydrogen and green ammonia process plant, complete with transmission infrastructure and port facilities, to serve the domestic and European markets. It is located on the coast of the Nordgulen fjord, approximately 8km west of Svelgen in the Bremanger Municipality in western Norway.

The site has been selected due to several factors such as existing grid and power capacity, proximity to existing infrastructure, land availability, water sources, topography, and the local environment and surrounding communities. Preliminary environmental and geotechnical site surveys have taken place since 2022 to inform early engineering and design works and to capture seasonal variation.

Fortescue has entered into a long-term conditional Power Purchase Agreement (PPA) with Statkraft to supply hydropower to support Fortescue's operational plans for a green hydrogen and green ammonia production plant.



Project Status

The Project is currently in the Feasibility Phase with many activities being undertaken in parallel to progress the Project to the Construction Phase. Based on current estimates, Fortescue is working towards a schedule of starting formal construction activities in 2025, subject to receiving all necessary approvals and permits (including a Final Investment Decision by the Fortescue Board), and expects to be operational in 2027.

The ongoing feasibility phase involves an initial regulatory planning process for repurposing the land for industrial use. Over the coming year, comprehensive studies of potential impacts from an environmental, social and safety perspective will be undertaken.

The assessments will be undertaken in accordance with applicable law including the Norwegian Planning and Building Act, the Fire and Explosion Prevention Act (Directorate for Civil Protection (DSB), the Pollution Act (Norwegian Environmental Agency (NEA) and County Governor) and in alignment with good international practice on environmental and social management, such as the International Finance Corporation's Performance Standards, the Equator Principles and the Green Hydrogen standard.

Findings from the planning process will be subject to public review, and help inform:

- local regulatory bodies in approval of land use;
- national regulatory bodies in granting permission to build and operate the facilities; and
- the overall Project design.



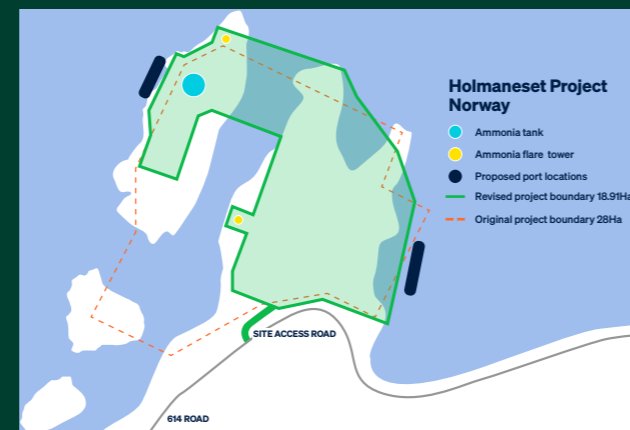
Updates to the Project Layout

Early environmental studies, as well as feedback from authorities and the local community, have identified environmental sensitivities at the site. Recognising the importance of these, and in line with Fortescue's commitment to safeguarding the environment, we are working with our engineering consultant, Norconsult, to optimise the technical layout.

Our aim is to reduce the Project's geographical footprint and carefully evaluate the location of Project components to help minimise impacts on both the environment and society. At the same time, we prioritise maintaining a technically feasible, safe, and reliable Project design that meets Norwegian regulatory requirements and adheres to Fortescue's rigorous project assurance guidelines.

We recognise the environmental importance of the area between the three islands (Litleholmen, Meholmen and Storeholmen) and Holmaneset. Through engineering and design works we have worked to reduce the original Project layout by approximately 32% (see figure), which results in an estimated infill reduction of 50%. This is an important step towards mitigating our environmental impact and helping to facilitate the long-term sustainability of the Project.

Refined Project Layout



This is still a preliminary design concept that will undergo further development and refinement as we progress through the Planning Process.

To better understand how the Project will affect the environment, we are setting up marine monitoring stations to observe water movement and assess potential impacts to the marine habitat. This data is intended to help identify mitigating measures in collaboration with relevant stakeholders.

Frequently Asked Questions (FAQ)

How and why was the Holmaneset site selected?

The Holmaneset site was chosen after an extensive survey of locations in the NO3 power area, including various spots in Nordgulen. A thorough Options Analysis, evaluating technical, environmental, and social factors led to the selection of the Holmaneset site as a preferred option. Further investigations, such as geotechnical studies, seabed bathymetry investigations and navigational studies were conducted to ensure rigorous due diligence before proceeding with the site and Planning Process.

During the site selection, consideration was given to utilising Djupavika for an export port. While Djupavika's bathymetry provides an ideal site for a wharf to service smaller vessels during construction, it is constrained by the shallow waters of Tretterskervik to the east. This impacts safe maneuvering of the tankers and was non-preferred from a risk perspective. Additionally, the proximity of the offloading location to the road would result in consideration zones impacting significantly on other stakeholders.

Further, Fortescue recognises that stakeholders have the potential to be both impacted positively, such as through economic development and employment, and negatively, such as visually and through noise disruptions, by the Project. We understand that surrounding landowners, in particular, may be concerned about potential impacts such as noise, visual amenity and property value. Through the Planning Process we will look to identify potential solutions that aim to maximise positive opportunities and minimise negative effects. In doing this, we will seek to engage with the relevant stakeholders and keep them updated as the assessment progresses.

Fortescue will continue to incorporate good environmental basis of design engineering principles to take into account key values and sensitivities as part of further Project engineering optimisation.

How will the Project manage its environmental and socio-economic impacts?

Fortescue is committed to safeguarding the environment and taking accountability for our environmental and social impacts and risks. We aim to protect nature and biodiversity and create thriving communities by applying and aligning with the Fortescue environmental, social and human rights policies and standards, national laws and regulations, and good international industry practice.

The ongoing Planning Process, including environmental impact assessment (EIA), will include the collection of comprehensive environmental and social baseline information to inform the assessment of potential impacts. Among the environmental sensitivities to be assessed in the Planning Process are eelgrass, kelp, soft bottom habitats, old pine forest, birds and coastal cod spawning.

This assessment will align with the Ministry of Climate and the Environment Regulations on Impact Assessment and the Norwegian Environment Agency's guide for impact assessments (M-1941). Baseline information is to be collected for marine ecology, terrestrial biodiversity, surface water, natural resources, heritage, the economy, and the demography. The baseline will be informed by consultation with relevant stakeholders, literature reviews, existing data and dedicated site-specific field studies.

How does FFI intend to deliver a safe Project design?

The project will be subject to rigorous risk and safety assessments in line with Norwegian and European regulations.

It is pivotal for Fortescue to demonstrate comprehensive and responsible health and safety management, both to our employees, including contractors and suppliers, to the local community and for regulatory permission to progress the Project.

The following risk and safety assessments will be undertaken in consultation with the Norwegian Authority for Civil Protection, which under the Fire and Explosion Prevention Act, is the responsible national authority for granting permission, firstly to start construction, and finally for permission to operate a hydrogen and ammonia facility at Holmaneset.

- Risk and Vulnerability Assessment (ROS-analysis), provides a systematic approach to identifying and evaluating potential threats and impacts the Project may cause to the area. The assessment methodology is described in the DSB's guide – 'Social security in the municipality's spatial planning.' Ramboll has been contracted to perform the ROS-analysis as part of the planning process.
- Quantitative Risk Assessment (QRA), is required for the overall planning, building and operational permits. The QRA assessments will be based on DSB's - "Guidelines for quantitative risk analysis of facilities handling hazardous substances". A reputable, independent company will be contracted to manage this process.

As an example, the QRA will seek to identify hazards relating to project processes, such as storage units, operation procedures and safety elements, including shutdown procedures, to define potential safety concerns. This will then be used to develop gas dispersion models with consideration of external factors, such as weather conditions, to assess potential safety risk to workers and surrounding communities.

The methodology for these processes is based on EU directives, Norwegian law and international standards and practice. The findings from the risk and safety assessments will be shared with relevant authorities and captured in the Planning Process. This and the application for DSB Consent will be made available for public review when the assessments have been completed.

Why does the Project require flare towers?

Flare towers are crucial safety systems for the production of hydrogen and ammonia. These tall, thin structures act as a safeguard, efficiently burning off excess green hydrogen and green ammonia gas through controlled combustion. This process does not emit carbon, only water and oxygen and it is in our interest to minimise the need for flaring to limit impacts to surrounding stakeholders and the loss of the product that could otherwise be sold.

The Project is expected to require two ammonia flare towers (see figure) — one near the ammonia synthesis plant and one near the ammonia storage tank. The towers will not be in use during normal operations but to provide intermittent pressure relief during emergencies and plant commissioning.

The ammonia flares will be ignited by an LPG pilot burner and are designed to completely combust all the ammonia released. The final design and height of the flare towers will depend on Norwegian regulations and the selection made together with the Engineering, Procurement and Construction company. Initial estimates indicate that the flare towers will be between 45 meters and 50 meters above the ground level of the plant.

Additionally, the Project may require hydrogen flare towers, which we would look to integrate with the ammonia flare towers to minimise additional infrastructure. Hydrogen flare towers would be more frequently in use to manage pressure in the hydrogen production process, but the volumes will be small, and the by-products of combustion are only heat and water. As hydrogen burns clear, no flame will be visible.

Are ammonia tanks safe?

Ammonia storage tanks are used to safely store and manage ammonia; a critical chemical widely used in various industrial processes, refrigeration, and agriculture. These tanks are specifically designed and constructed to withstand the unique properties and challenges associated with handling ammonia.

Early engineering has estimated that a single, 45-50,000 cubic meters tank will meet the Project's requirements, while helping to minimise risk and overall land requirements.

The tank is currently estimated to be around 45-50 meters high and 40-45 meters diameter. The final design of the tank will be determined by specialist consultants experienced in the design of large, refrigerated ammonia tanks in adherence to European Codes and Standards and Norwegian regulatory requirements.

Regardless of the final design, safety is a top priority, and the tank will be equipped with robust containment measures to help prevent leaks and spills, minimising the risk of potential hazards to workers, the environment and society. Once in operation, inspections and maintenance will be conducted to verify the integrity of the tanks and compliance with safety regulations.



What is the purpose of the transmission corridors?

Transmission infrastructure will be required to transport power and water to the Holmaneset site via power cables and water pipelines. The route for getting these resources to site is known as a 'transmission corridor.' Power is planned to be supplied to the site from the Svelgen transformer station and water is planned to be taken from the outlet of the Svelgen II/IV hydropower plants.

In selecting the proposed Project location, Fortescue completed initial mapping of potential transmission corridors with consideration of environmental, social and safety factors. Norconsult engineers have further assessed the alternatives, including both terrestrial and subsea options.

The preferred option for the transmission corridor is a subsea route running from Svelgen to the Holmaneset site. This option has been developed in consultation with Linja, Sogn og Fjordane Energi, the municipality and other relevant stakeholders. The subsea option presents the highest development cost but minimises the environmental impact of the corridor as well as the amount of properties affected. Further consultation with the relevant authorities and affected stakeholders will be undertaken in the coming months as the option is further assessed by Norconsult and the Fortescue engineering team.

Fortescue will be responsible for the development of power and water transmission infrastructure to site.

How will the Project manage impacts to transportation routes, including marine and road?

During the construction and operation of the Project, transportation of people, goods, and products will be necessary. This will result in increased vehicle traffic on the 614 road, and vessel movements in Nordgulen Fjord. While the movement of vehicles and vessels will peak during construction, it will reduce once the Project is operational.

To limit impacts on existing users of the 614 road, we will prioritise delivering goods and equipment via ships, particularly during the construction phase. The eastern port facility will be utilised for this kind of shipment and will be one of the first things constructed. When in production, ammonia will be transported via ships from the western port facility. The frequency is estimated to be 1 to 4 ships per month, depending on the eventual

shipping contracts. This represents an additional 12 to 48 ships per year. By comparison, in 2022, 1,700 vessels passed between Leirvikneset and Kvieneset in Nordgulen.

Impacts related to transport will be thoroughly assessed during the Planning Process, considering existing users and safety. Through the Planning Process and consultation with the Municipality, Norwegian Coastal Authority and Road Authority, management measures and potential improvements will be identified to ensure appropriate and safe solutions are identified.

Further, we will look to implement strategies to maximise the use of local goods and services, along with efforts to employ a residential workforce. This will not only support the local economy but also help manage the effects on the road network.

How will the Project impact the availability and cost of power?

The power balance in the grid is predetermined and governed by criteria set by Statnett and other players, such as the Norwegian Water Resources and Energy Directorate (NVE), to ensure a stable power supply.

A portion of the power is reserved to meet the needs of ordinary customers, including residents, small businesses, public services, and critical functions like hospitals and police. This reserved capacity takes into account the anticipated increase in power consumption due to factors such as population growth, electric vehicles, and digital technology usage, securing a reliable power supply for regular consumers.

The remaining available power is allocated to industrial purposes, primarily for energy-intensive industries, which generates significant income regionally and nationally. Industrial power is acquired through long-term contracts with power companies, separate from the regular consumer market. The Holmaneset Project's presence is not expected to impact the power price, as all available industrial power will be consumed regardless of the Project's development.

What benefits will the Project create?

Green industry development is a priority for Norway and Europe. The Norwegian Government's Hydrogen Strategy (2020) emphasises both the national and international importance for the kind of production that is planned at Holmaneset. The production of green hydrogen will contribute to the path to a low-emission society, and it is also a step

in the right direction to reduce greenhouse gas emissions globally.

Through the Holmaneset Project we are working to develop a local, regional and national value chain for green industry that contributes to increased employment, business and training opportunities – with a focus on the Bremanger Municipality and the region. We seek to make a lasting, positive contribution to residents in Svelgen and the surrounding area.

Our Local Content activities are grouped under four key pillars:

- **Green Energy Education:** Provide education on green energy in line with school science, technology, engineering, and mathematics (STEM) curriculum, and stimulate interest in career pathways into green energy.
- **Green Energy Skills Development:** Working with educational and training institutions to develop the necessary skills to resource green energy projects.
- **Supply of Goods and Services:** Collaborating with local and regional organisations and innovation hubs to identify the availability of goods and services to support green energy development, and providing development support with a focus on small to medium enterprises.
- **Research and Development:** Collaborating with universities to investigate ways in which the Project can contribute to a circular economy – i.e. using the by-products from the hydrogen production process to stimulate local economic development.

How is FFI working with the Municipality and how will the Project be financed?

Fortescue has entered into a Cooperation Agreement with Bremanger Municipality in order to undertake the Planning Process. The Planning Process is a standard municipal process and is required for any rezoning. To support in undertaking this work, Ramboll has been contracted by FFI to assist in undertaking the Planning Process and EIA.

All current Project activities, including site investigations, land purchases and engineering and environmental studies, are funded directly by Fortescue.

In July 2023, the European Commission selected the Holmaneset Project as a potential beneficiary of the EU Innovation Fund. If the funding is approved, this will be a significant financial support that will contribute toward the Project's capital cost and operating expenses. The substantial potential investment from the European Commission

demonstrates the continued momentum in Europe's green energy transition, and that the Holmaneset Project is seen as a meaningful contributor to this cause. In the coming months, Fortescue will be in dialogue with the European Climate, Infrastructure and Environment Executive Agency to negotiate the Grant Agreement.

What can we expect in the coming months?

Surveys will continue to be conducted of the terrestrial and marine areas, and geotechnical features to understand sensitivities and baseline conditions. Additionally, a 10 meter high wind mast is planned to be installed on the northern tip of Storeholmen to measure local winds for design of the port facilities, and further investigations of the transmission corridors for the subsea cable and pipeline.

In undertaking these, we have contracted specialist consultants to gain the necessary approvals/permits and conduct these activities. As a result, you may see increased personnel and equipment, at Holmaneset and on the islands of Litleholmen, Meholmen and Storeholmen. We will strive to keep the Project website and the municipality informed of these activities, but should you have any concerns or questions please contact us.

These surveys will then be used to inform the Planning Proposal and EIA, which should be drafted for review by the public and municipality in Q1 2024 (assuming there are no delays). The Planning

Process is being undertaken in line with the statutory timeframes and will include a 6-8 week public review period of the Planning documentation before a formal decision is made on rezoning the site for industrial purposes. During this time, we will host another public hearing and will be available to answer further questions from the community.

The rezoning of the site is one of many approvals and permits the Project will require from the Norwegian government and Fortescue before it can be progressed to the Construction Phase.

Where to go for further information or to raise a grievance?

It takes careful planning, time, money, consultation and input from many people and organisations to create a safe, responsible and viable Project. We value your feedback and are committed to maintaining an open and transparent relationship with the local community and other stakeholders. If you have any questions or want further information on the Project or Fortescue, please contact us at Norway@fortescue.com and one of our team will be in touch.

Additionally, Fortescue has a formal grievance procedure in place, should you have any complaints or grievances to raise. When a complaint is lodged either in person or via email, our dedicated team will investigate and propose an appropriate resolution in a timely manner, which will be discussed and agreed on in consultation with the relevant stakeholders.

