

# Australia's Fortescue in talks on giant Congo hydro project

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Australia's Fortescue Metals Group said on Tuesday, 15 June, it was in talks with the Democratic Republic of Congo's government to develop a hydroelectric power project that could become the largest in the world.



Grand Inga 3. Photo: Congo Research Group

The discussions concern exclusive rights for Fortescue's green energy unit to develop the more than 40,000MW Grand Inga hydroelectric project, but no formal binding agreement has been concluded, Fortescue said in a filing to the Australian Securities Exchange.

Fortescue's involvement is the latest twist in Congo's decades-long quest to expand Inga, whose two existing dams - completed in 1972 and 1982 - have a combined installed capacity of nearly 1,800MW.

## Six additional dams

The government has been looking to build six additional dams, but those plans have been repeatedly delayed by difficulties mobilising financing and disputes with partners.

The proposed expansion would be roughly double the size of China's Three Gorges dam, currently the world's largest. Total development costs have been estimated at up to \$80bn.

In 2018, a Chinese consortium that includes China Three Gorges Corporation and a Spanish consortium signed a deal to develop a third dam, known as Inga 3.



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## Ground yet to be broken

Ground has yet to be broken because of questions over its financial viability, and one of the main Spanish companies in the deal, Actividades de Construccion y Servicios, withdrew from the project last year.

It was not immediately clear whether Fortescue had discussed its plans with companies with existing interests in Inga 3. China Three Gorges did not immediately respond to a request for comment.

In a memorandum of understanding signed between Fortescue and Congo in September 2020, which was seen by Reuters, Fortescue "acknowledges the existing potential rights held on Inga 3 by third parties".

"In the event that, for any reason, such rights to develop Inga 3 become available, the government of the DRC undertakes to secure for Fortescue Future Industries an exclusive first option to develop Inga 3," it said.

A senior official at the government's Agency for the Development and Promotion of Grand Inga (ADPI), speaking on condition of anonymity, said the ADPI had not been involved in the talks with Fortescue.



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1 Jun 2021



## Producing hydrogen for global export

Fortescue chairperson Andrew Forrest met Congo President Felix Tshisekedi on Sunday to discuss the project. Forrest told journalists that Fortescue would use the energy from Inga to produce hydrogen to export around the world.

"The capital cost of this will be many many tens of billions of dollars and direct and indirect employment will be in the hundreds of thousands," he told reporters.

Fortescue has said it plans to fund the majority of its green energy projects off its balance sheet, investing about \$1bn a year of its own money.

Fortescue's statement was made in response to an article in the *Australian Financial Review*.