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**FORTESCUE COMPLETES ACQUISITION OF WILLIAMS ADVANCED ENGINEERING
AND
ANNOUNCES DEVELOPMENT OF THE WORLD'S FIRST ZERO EMISSION INFINITY TRAIN**

Fortescue Metals Group Ltd (Fortescue, ASX: FMG) today advises the completion of the acquisition of Williams Advanced Engineering (WAE) that was announced on 24 January 2022. Following the satisfaction of customary conditions precedent, the final purchase price is £164 million (US\$221 million).

The acquisition of WAE provides critical technology and expertise in high-performance battery systems and electrification to increase Fortescue's operational efficiency, lower maintenance costs and accelerate the decarbonisation of its mining operations. Importantly, it will establish a significant new global battery growth business opportunity for Fortescue. WAE will remain a strongly independent company to accelerate its growth, while its leading industrial battery technology division will be closely coordinated with Fortescue. Both will be managed by Fortescue's green energy, technology and development company Fortescue Future Industries (FFI).

ZERO EMISSION INFINITY TRAIN

WAE has significant industrial battery technology that has already added considerable value to Fortescue. FFI and WAE have also commenced development of a regenerating battery electric iron ore train project (Infinity Train) to support the delivery of Fortescue's industry-leading target to achieve net zero Scope 1 and Scope 2 emissions by 2030. In a world first development, the Infinity Train will utilise the gravitational energy generated on the downhill loaded sections of Fortescue's rail network to recharge its battery electric systems, without any additional charging requirements for the return trip to reload.

The self-sustaining system will increase operational efficiency, lower maintenance costs, and eliminate diesel and the associated CO₂ emissions from Fortescue's iron ore trains. The regenerative capability will remove the requirement for investment in recharging infrastructure and additional renewable energy generation capacity.

Fortescue's current rail operations include 54 operating locomotives that haul 16 train sets, together with other on-track mobile equipment. Each train set is about 2.8 kilometres in length and has the capacity to haul 34,404 tonnes of iron ore in 244 ore cars. Fortescue's rail operations consumed 82 million litres of diesel in financial year 2021 accounting for 11 per cent of Fortescue's Scope 1 emissions. This diesel consumption and associated emissions will be eliminated once the Infinity Train is fully implemented across Fortescue's operations, significantly contributing to Fortescue's target to be diesel free by 2030.

Fortescue's studies and development costs for the Infinity Train are expected to be US\$50 million over the next two years and will be classified as operating cost efficiencies, with the studies to refine the capital estimate and schedule. The technology, to be jointly developed by Fortescue and WAE, will address the reduction in emissions in the hard to abate heavy industry sector with significant opportunities for this technology to be commercialised on a global basis.

Fortescue Chief Executive Officer, Elizabeth Gaines said, “The acquisition of WAE is an important step in Fortescue’s transition to a global green energy and resources company. We are rapidly establishing the building blocks which will allow us to fully integrate technologies, manufacturing capabilities and green energy generation and distribution to deliver across the entire value chain. The Infinity Train is an important project to be developed together with WAE, as we work to deliver on our target to decarbonise our mining operations by 2030.

“The Infinity Train has the capacity to be the world’s most efficient battery electric locomotive. The regeneration of electricity on the downhill loaded sections will remove the need for the installation of renewable energy generation and recharging infrastructure, making it a capital efficient solution for eliminating diesel and emissions from our rail operations.”

Fortescue Founder and Chairman, Dr Andrew Forrest AO, said “The Infinity Train will not only accelerate Fortescue’s race to reach net zero emissions by 2030, but also lower our operating costs, create maintenance efficiencies and productivity opportunities.

“The Infinity Train will join Fortescue’s green fleet under development, and will contribute to Fortescue becoming a major player in the growing global market for green industrial transport equipment, providing great value for our shareholders.

“The commercial opportunities for FFI as it pioneers this technology, captures its value and distributes it globally are obvious. Less obvious, but just as important, is that we lower our operating costs, eliminate the cost of diesel from our company and of course, our carbon emissions.

“The Infinity Train continues FFI’s inexorable march to change the world’s attitude to energy generation. To move business leaders and politicians globally to the realisation that fossil fuel is just one source of energy and there are others rapidly emerging, which are more efficient, lower cost and green. The world must, and clearly can, move on from its highly polluting, deadly if not stopped epoch of fossil fuel,” Dr Forrest said.

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