

16 March 2026

Clean Energy Regulator
Safeguard Mechanism Branch
GPO Box 621
CANBERRA ACT 2604

Dear Clean Energy Regulator,

SECTION 72C OF THE NATIONAL GREENHOUSE AND ENERGY REPORTING (SAFEGUARD MECHANISM) RULE 2015, EXCESS SURRENDER – WEST PILBARA IRON ORE PROJECT

In accordance with Section 72C of the National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015 (Safeguard Rules), a Responsible Emitter is obliged to provide a statement explaining why further on-site abatement activities were not undertaken when Australian Carbon Credit Unit (ACCU) surrenders exceed 30% of a facility's baseline for allowable scope 1 greenhouse gas emissions in a financial year.

Mineral Resources Limited is responding on behalf of Onslow Iron Pty Ltd which is the Responsible Emitter of the West Pilbara Iron Ore Project (the **Facility**).

In FY25, the Facility exceeded its baseline by over 30% and surrendered ACCUs to meet its exceedance.

Why the Facility exceeded its baseline

The Facility is a greenfield iron ore project in the West Pilbara region. Construction commenced in 2023, with first ore on ship in May 2024 and nameplate capacity of 35 million tonnes per year was achieved in August 2025.

During FY25, operations at the Facility were ramping up while construction activities were ongoing. Reliance on diesel for power generation at the Facility has been greatly reduced with the introduction of a hybrid power solution, which has been in full operation since August 2025.

On-site abatement measures implemented

In January 2025, the Kens Bore gas power station was commissioned with an installed capacity of 26 megawatts (MW), capable of displacing approximately 60 million litres of diesel annually - equivalent to 40,000 tonnes of carbon dioxide equivalent (tCO₂-e).

In August 2025, a 3.9 MW single-axis tracking solar array was commissioned. The solar farm can displace up to an additional 2.6 million litres of diesel, equivalent to 7,000 tCO₂-e annually.

To enhance the hybrid power solution, a 3.3 MW battery system has been integrated to ensure immediate output during rapid changes in cloud cover, whilst also enabling gas generators to operate at higher and more efficient loads.

Other abatement options

Beyond carbon abatement in power generation, the Facility is actively exploring opportunities for diesel displacement within its mining fleet. Currently, commercially viable fleet decarbonisation options remain limited. However, it is anticipated that technological advancement and improved commercial viability of such solutions will address this gap in the future.



In summary, the exceedance and resulting ACCU surrender reflect the unavoidable emissions profile of a major greenfield project during its start-up phase, rather than a lack of commitment to abatement.

Yours sincerely,



Nick Rohr
Director Legal and Commercial