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750 MW Green Urea Project among 7 selected in Australia's Hydrogen Headstart Programme

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The inclusion of Perdaman's Helios project highlights growing interest in using renewable hydrogen to produce value-added agricultural inputs rather than solely energy carriers such as ammonia and methanol

Australia has selected seven renewable hydrogen projects for the second round of its Hydrogen Headstart subsidy programme, with one of the shortlisted developments focused on producing green urea for domestic and export markets.

The inclusion of Perdaman's Helios project in Karratha, Western Australia, represents an important milestone for the company as it seeks to secure funding under the federal government's flagship clean hydrogen incentive scheme. The proposed project envisages the development of a 750 MW green hydrogen facility that would use renewable hydrogen to manufacture green urea, targeting demand from the agricultural sector as well as international markets.

Among the seven projects selected, Perdaman Helios stands out for its fertiliser-focused business model. Most of the other shortlisted developments are geared toward producing methanol, sustainable aviation fuel, or ammonia intended for use in shipping and industrial applications. By contrast, the Helios project is centred on converting renewable hydrogen into a value-added agricultural input, positioning green fertiliser production as a key component of Australia's emerging hydrogen economy.

The Hydrogen Headstart programme provides successful projects with production credits for a period of 10 years, helping bridge the gap between the current cost of producing renewable hydrogen and prevailing market prices. The subsidy mechanism is designed to improve the bankability of large-scale projects by offering long-term revenue certainty, thereby making them more attractive to investors and lenders. The first round of the programme had already awarded support to several large hydrogen and ammonia developments.

The latest shortlist underscores Australia's broader ambition to establish itself as a leading exporter of renewable hydrogen and hydrogen-derived products. The country's abundant solar and wind resources, combined with its proximity to major Asian

markets, have positioned it as a potential hub for low-carbon fuel and chemical production.

Industry observers note that producing green urea rather than solely supplying hydrogen or ammonia as energy carriers could create more durable and diversified demand streams. In addition to supporting agricultural supply chains, green fertilisers could contribute to industrial decarbonisation efforts by reducing the carbon footprint associated with conventional fertiliser production.

Despite its inclusion in the Hydrogen Headstart programme, the Perdaman Helios project has yet to reach a final investment decision. The development still requires several key elements to fall into place, including securing commercial offtake agreements, obtaining access to power infrastructure and procuring electrolyser technology before construction can commence.

The project's progress will be closely watched by the fertiliser and clean energy industries, as it represents one of the most advanced attempts to integrate renewable hydrogen production with large-scale green urea manufacturing.