Australian Government

NAIF
Northern Australia Infrastructure Facility

Case Study

PERDAMAN CHEMICAL AND FERTILISERS PTY LTD, WATER CORPORATION, PILBARA PORTS.

Urea plant and supporting infrastructure project

AUGUST 2026

PILBARA REGION, WA

Find out more at
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WATER CORPORATION, PILBARA PORTS.

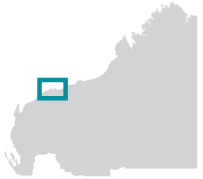
Urea plant and supporting infrastructure project

The Northern Australia Infrastructure Facility (NAIF) is supporting the development of the Perdaman urea project by committing a loan of up to $220 million.

The project is being built by Western Australia-based company Perdaman Chemicals and Fertilisers. Together with the supporting infrastructure projects, the urea plant is forecast to generate thousands of jobs and deliver $8.5 billion in public benefit over its 40-year life.

Importantly, the project will help to diversify the economy of the Pilbara region and will be transformational for Western Australia and Australia. Australia currently imports around 2.4 million tonnes a year of urea for agricultural use. The project will add valuable domestic production capacity to reduce reliance on imports and secure access to local fertiliser that is vital for food security.

In recognition of the project's immense potential to revolutionise Australia's fertiliser industry, both the federal and Western Australian governments have awarded it Major Project Status.



OpenStreetMap

$475M
TOTAL NAIF LOAN ACROSS THREE PROJECTS

$8.5B
PUBLIC BENEFIT

2,490
FORECAST JOBS

Global urea demand is increasing

Urea is a widely used chemical with diverse applications, including fertiliser, animal feed supplement, and a key component in the manufacturing of plastics and adhesives like urea-formaldehyde resins.

AdBlue, used to reduce emissions from diesel engines, is made from urea. It is also found in many consumer products, acting as a moisturiser in skincare products, a component of de-icing agents for roads, and as an ingredient in some pharmaceuticals.

Urea's high nitrogen concentration means smaller volumes are required compared to non-urea-based products. This represents significant cost savings and efficiency gains in transport and storage.

As global populations grow, demand for urea, particular for fertiliser, is expected to increase. The project is expected to produce around 2.3 million tonnes of urea per year.

Long-term benefits to northern Australia

The manufacturing facility will be Australia's largest urea plant and supports food security by enabling domestic fertiliser production which in turn will reduce reliance on imported products. It is strategically located in the Pilbara region, close to large scale feedstock sources and in a precinct renowned for high quality, global scale resources and energy production facilities.

The project is being developed 20 kilometres north of Karratha, Western Australia, and is expected to reach practical completion by mid-June 2027. Natural gas feedstock for urea production will be supplied by fellow Pilbara producer Woodside under a 20-year agreement. Additionally, Perdaman has in place a 20-year offtake agreement with Macquarie Commodities and Global Markets (MCGM) wholly owned by Macquarie Financial Limited. It is anticipated the Perdaman urea project will be one of the lowest cost suppliers across the Asia-Pacific, further supporting these long-term arrangements.

Perdaman has commenced its decarbonisation pathway (March 2026) via Project Helios Phase 1, marking the commencement of its 30MW Solar Farm development in Karratha, Western Australia. This forms an integral part of long-term sustainability goals with full support from the WA state Government.

Across the Urea plant and the supporting infrastructure developments at the Port of Dampier and the Burrup seawater and brine disposal scheme, the forecast public benefit comes to $8.5 billion. These projects will create 2,490 jobs for the duration of their construction and support 200 permanent roles across the Karratha area once operational.

How we helped

NAIF played an integral role in ensuring the Perdaman urea facility, known as Project Ceres, was fully funded and the world-scale project could ultimately proceed.

The very large size of the project meant that despite strong appetite from a range of domestic and international banks, there was insufficient liquidity. Our unique mandate to support infrastructure development in northern Australia, and our ability to provide the necessary liquidity was delivered through a significant $220m loan commitment in a total $3.5bn syndicated debt facility.

Our involvement also highlighted the solid government support for the project, and our debt commitment, alongside a $270m commitment from Australia's export credit agency Export Finance Australia, ultimately attracted other investors. We took a leading role in negotiating inter-creditor terms to meet the requirements of the many stakeholders, including the Western Australian Government, project proponents and lenders.

"NAIF has played a critical role in Project Ceres's progress.

Their understanding of the northern Australian context and readiness to engage openly with us and other stakeholders made the complex financing process more manageable.

While challenges inevitably arose along the way, NAIF's steady support and collaborative approach helped maintain confidence across the board.

We value this partnership, not just for what it has enabled to date, but for the opportunity it creates to deliver lasting outcomes for the community."

Vikas Rambal, Chairman of Perdaman Chemicals and Fertilisers

Investing in enabling infrastructure

Our mandate also allows us to fund enabling infrastructure that is critical to a project's success. This can include roads, utilities or other shared facilities that underpin the construction and long-term operation of major projects.

In support of the Perdaman urea project, we provided essential financing for two other complementary infrastructure projects.

Pilbara Ports

$160 million for a new multi-user wharf and associated facilities at Port of Dampier.

Water Corporation

$95 million for the expansion of the Burrup seawater and brine disposal scheme.

NAIF's decisions to support all three projects reflects our deep understanding of northern Australia's infrastructure needs and the specific challenges that developments such as the Perdaman urea project face.

By supporting the initiatives of Pilbara Ports and the Water Corporation alongside Perdaman Chemicals and Fertilisers, we have helped to make the Perdaman urea project economically viable and globally competitive. Collectively, these investments provide Australia with a strong foundation to grow its fertiliser industry.

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SECTOR INSIGHTS

Resources

Australia's vast mineral endowment is predominantly located in remote areas of the country, away from established infrastructure, amenities and a skilled workforce.

As a result, the development of resources projects not only requires significant transport and logistics solutions, but projects of sufficient scale to justify the very high fixed costs of development. Projects that can achieve low operating and production costs relative to their global peers are financially more resilient and can withstand the inevitable commodity price fluctuations throughout the economic cycle.

Additional challenges when constructing and operating a project in remote areas like northern Australia include extreme weather, lack of established supply chains, obtaining sufficient insurance coverage, and the lack of existing utility connection and reliable supply.

Addressing workforce housing needs

Perdaman has undertaken a comprehensive review to assess potential impacts of their project on the Karratha community. One key challenge identified was accommodating employees in the already constrained local housing market. With a need to house around 100 full-time staff once operational, it was clear that existing capacity in the local area was insufficient.

To address this housing shortage, Perdaman has commenced the development and construction of 100 new residential dwellings for Perdaman operational staff in Karratha with a total expected cost of $122m. Perdaman is seeking to construct and/or purchase 36 additional residential properties. The total expected cost will be funded via a new debt facility provided by existing commercial banks, with remaining costs funded by sponsor equity.

INDIGENOUS ENGAGEMENT

Sustainability and community outcomes

We recognise the impacts that climate change can have on businesses and communities and incorporate these considerations into our investment decisions. Northern Australia is particularly exposed to both physical and transition risks, making it essential that projects are developed with sustainability in mind.

Perdaman shares this commitment. The urea processing plant has been designed to minimise industrial emissions and reduce the environmental footprint of fertiliser production, with a target of achieving net zero carbon emissions by 2050. Advanced systems, including a world-class control room, will support the delivery of consistently high-quality product.

The project is located on the Burrup Peninsula, known as Murujuga, within the traditional lands of the Ngarda-Ngarli – the collective name for the Ngarluma, Yindjibarndi, Yaburara, Mardudhunera and Wong-Goo-Tt-Oo peoples. These Traditional Owners have maintained deep cultural, spiritual and environmental connections to the area for more than 50,000 years. Perdaman has committed to protecting the land and, through its Indigenous Engagement Strategy (IES), ensuring that at least 3 per cent of its workforce will be First Nations people. The company will also partner with education providers to create pathways for First Nations students, and engage with local suppliers through briefings, presentations and initiatives to lower barriers for participation.

Across the three projects, a strong IES is being implemented in partnership with the Murujuga Aboriginal Corporation (MAC) and local Traditional Owners. Commitments include cultural heritage protection, cultural competency training, employment and training pathways, and procurement opportunities for First Nations businesses. Perdaman, Pilbara Ports and the Water Corporation have each tailored their approaches to ensure local communities are engaged throughout project lifecycles, with measurable targets for employment, training, and contracting.

Progress to date shows meaningful outcomes. Perdaman has delivered over $49 million in cumulative procurement to First Nations businesses while maintaining strong engagement with the MAC. Perdaman achieved 3.1 per cent First Nations employment, exceeding the 3 per cent target, while investment in training and pathways continues.

Water Corporation exceeded its goals in 2025, achieving 6.6 per cent First Nations employment and awarding over $5.7 million in procurement to First Nations businesses, including subcontracting between First Nations firms.

In the same year, Pilbara Ports recorded 6.5 per cent First Nations employment through its head contractor, delivered 2.5% First Nations procurement, and partnered with the MAC to support Land and Sea Ranger training and Coxswain certification activities.

Building a future for northern Australia

The completion of the Perdaman urea plant and the upgrades to enabling infrastructure across Karratha and the Burrup Peninsula will drive significant economic growth for the region.

The project will create thousands of jobs and diversify the local economy by creating a new Australian fertiliser industry, and position the country as a global leader in this space.

With populations growing, demand for agricultural inputs is expected to rise significantly and this investment will help ensure Australia is well-placed to support this trend.

Our deep regional expertise gives us a holistic view of the infrastructure needed to support projects of this scale. Our mandate enables investment in both core and supporting infrastructure to unlock major projects across northern Australia.

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FIND OUT MORE

- Northern Australian Infrastructure Facility
- Perdaman Chemicals and Fertilisers
- Water Corporation
- Pilbara Ports

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NAIF
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Investing for impact in northern Australia

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