



TWIGGY'S GREENING LIVES ON

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Body

Fortescue chairman Andrew Forrest says he would not change the way the company approached its energy strategy, despite **Fortescue**'s green energy arm racking up more than \$US1.44bn (\$2.1bn) in losses over the last four years with little in the way of commercial returns.

The figure, drawn from **Fortescue**'s annual accounts from 2021 onwards, does not reflect all of the mining giant's spending on its now-abandoned vision of producing 15 million tonnes a year.

Its last quarterly production report noted that **Fortescue** expected \$US700m in net operating expenditure for its energy division for the year ending June 30, plus another \$US500m in capital spending and investments.

The company on Wednesday announced it will cut 700 jobs and pull back from the hydrogen production target.

Fortescue has delivered on three final investment decisions as a result of the spending. But Dr Forrest said on Thursday he was confident its efforts in winning access to global energy projects, and technology investments such as its acquisition of Williams Advanced Engineering (now **Fortescue** Zero) would still deliver returns to **Fortescue** shareholders.

"If I could spend the amount of capital you're speculating about, to create a future for this company that will multiply its share price, I would do it every day of the week. There's no way we could have got that out of just doing more of the same," he said.

Fortescue Zero delivers a small revenue stream to the ASX-listed company, but none of its other energy investments have yet delivered a commercial return. But Dr Forrest said **Fortescue**'s forays into designing ammonia-power ships, battery-operated trains and future green hydrogen and ammonia production would eventually deliver returns to shareholders.

"You can see the business we're now starting in shipping, in trucking, in rail, in green iron, in shipping green electrons into western Europe. These businesses are all available to us because of that investment," he said.

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Fortescue's green dream foundered on energy costs, with the global surge in pricing after Russia's invasion of Ukraine - and the massive post-pandemic cost inflation for major projects - effectively killing off the cheap electricity needed to make hydrogen a viable energy source.

Dr Forrest rejected suggestions that **Fortescue** had abandoned its ambition of turning hydrogen into a global seaborne commodity equivalent to LNG, but said in the short term **Fortescue** would instead look to build solar and wind projects that will help drive down energy costs to eventually make hydrogen and green ammonia viable.

That will start with powering **Fortescue**'s Pilbara iron ore operations, he said, but will eventually extend to grid-scale renewable energy projects. **Fortescue** shares closed down 32c to \$22.04 on Thursday.

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