



## **Fortescue to slash 700 jobs**

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### **Body**

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Andrew Forrest has launched a sweeping restructure at **Fortescue** in the face of the company's failure to deliver on its green energy promises, with as many as 700 jobs going.

The massive cutbacks come as Dr Forrest abandons the company's goal of producing 15 million tonnes of green -hydrogen a year by 2030.

Dr Forrest is understood to have addressed **Fortescue** staff on Wednesday afternoon, -flagging a major round of -redundancies - including the departure of more of the company's senior management. The concession that Fortescue cannot meet its green -hydrogen targets represents a major backdown by Dr Forrest, who only a few years ago was boasting that the company's green energy ambitions would one day make it bigger than Saudi Energy giant Aramco.

It comes after a swag of executive departures.

The sweeping changes include the departure of senior operational staff in **Fortescue's** iron ore division, including senior mine managers, amid a widespread expectation that the company has failed to meet its annual production targets.

Sources say the changes -affect far more than just the company's energy division, which has burned hundreds of millions of dollars in examining potential green hydrogen and ammonia sites across the world, but has so far only delivered three final investment decisions across the would-be green energy portfolio.

Those three projects include a small hydrogen plant in Gladstone in Queensland, a second hydrogen project in Arizona in the US, and a green iron commercial pilot plant in the Pilbara.

All three remain in Fortescue's development portfolio, along with a green ammonia -project in Norway and one in Brazil. The company is also still working on some earlier stage projects, such as a joint venture in Morocco.

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But a swag of others have been "deprioritised". **Fortescue** is effectively abandoning its green ammonia and energy projects in Kenya, Argentina, Canada and the US state of Washington - where Dr Forrest had promised to replace former coal-fired power plants with clean energy production.

**Fortescue**'s failure to maintain the pace of exports at its flagship iron ore division is also understood to be at the heart of the sweeping changes, which will only add to the chaos that has engulfed the company over the past 18 months.

A derailment on its main -Pilbara line over Christmas hit its export rates, as did heavy weather there in February. The company is also still struggling to get its troubled Iron Bridge magnetite project operating to anywhere close to full capacity, and has -issued multiple downgrades to its expected output over the past year. Market analysts expect **Fortescue** to miss its 192 million tonne export forecast when the company releases its June quarter production report next week, with consensus expectations tipping the company to only barely break the 190 million tonne mark. **Fortescue** shares closed down 1 per cent at \$22.36 on Wednesday.

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