



GREENER IRON ALL THE RAGE

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Body

Fortescue is "doubling down" on green iron, and says the market for green products generally is "much, much larger" than it previously believed, as the company looks to sink \$US1.2bn (\$1.76bn) into its energy division this year.

But the company's co-chief executive Dino Otranto said a massive investment into new renewables and associated energy infrastructure was needed if Australia was going to grasp the opportunity to capitalise on a generational shift in the commodities market.

This opportunity encompassed both green iron, with **Fortescue**, chaired by billionaire founder Andrew Forrest, aiming to produce its first green metal from Pilbara ores within a year from its \$US50m Christmas Creek pilot plant, and ammonia which **Fortescue** said China has flagged will be an important feedstock for its power plants going forward.

The iron ore miner and energy developer reported on Wednesday that its **Fortescue** Energy division lost \$US659m in the 2024 financial year, which the company capped off with an announcement in July that it would cut 700 jobs across the broader business and scale back its green hydrogen ambitions.

But Mr Otranto said on Wednesday that **Fortescue** is still firmly committed to the green opportunity, and Australia had the chance to position itself to benefit from the next commodities boom, which would be squarely focused on products such as green iron and ammonia.

"We will show the world that it is possible to make green iron metal - 95 per cent plus pig iron that is in granules out of Pilbara-based iron ore with hydrogen as a reducing agent, derived from the sun and in the future, the wind," Mr Otranto said.

"So within a year, you'll see us making, I think, further announcements around what the next stage of green iron development in Australia or around the world will look like." Mr Otranto said the company was focused on proving its green iron technology at the Christmas Creek plant, and would scope sites around the world with abundant renewable energy sources.

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On the earnings front, Mr Otranto said **Fortescue** delivered its third-best result to date, with underlying profit after tax of \$US5.7bn, up 3 per cent.

Revenue rose 8 per cent to \$US18.2bn, with the company receiving \$US103 per tonne for its ore, also up 8 per cent.

Iron ore guidance for the current year is for shipments of 190Mt-200Mt, compared with 191.6Mt in the 2024 financial year.

Mr Otranto said it was another year of "outstanding" performance. **Fortescue** will pay a dividend of 89c a share on September 27, down from \$1 for the same period last year. The company's shares closed 1 per cent lower at \$18.44 on Wednesday.

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