



Twiggy out: 2030 fuel fantasy over

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Body

Billionaire Andrew Forrest has abandoned ambitious green -hydrogen targets in a major -business backdown that threatens the Albanese government's pledge for the energy source to help drive the nation's transition to net-zero emissions by 2050.

Dr Forrest launched a sweeping restructure at For-tescue in the face of the company's failure to deliver on its green-energy -promises. Up to 700 jobs will go in the massive cutbacks after the iron ore mogul pulled back from 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 For-tescue cannot meet its green--hydrogen targets represents a major retreat 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.

The move also punches a hole in Labor's emissions transition plan, with the government providing \$8bn in investment and support for hydrogen production as part of a push for Australia to become a key player in global -efforts to achieve net zero.

Anthony Albanese has pinned the government's hopes on green hydrogen, solar and wind as key supply sources that can hand the nation "energy sovereignty".

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

Sources say the changes affect far more than 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 in the would-be green-energy portfolio. Those three projects include a

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small hydrogen plant in Gladstone in Queensland, a second -hydrogen project in Arizona in the US, and a green-iron commercial pilot plant in Western Australia's 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.

But a swag of others have been "deprioritised". **Fortescue** is effectively abandoning its green--ammonia and energy projects in Canada and the US state of Washington - where Dr Forrest had promised to -replace former coal-fired power plants with clean-energy production. And projects in Kenya, which were previously on the "fast track" list, and Argentina have been pushed back down the priority order.

Fortescue's failure to maintain the pace or 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 export rates, as did heavy weather in February.

The company is 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 guidance when the company releases its June quarter production report next week, with consensus expectations -tipping the company to barely break 190 million tonnes.

Dr Forrest issued a statement on Wednesday night saying the company backed the federal government's green-energy -ambitions and was investing in green electricity to support green-hydrogen supply, "setting **Fortescue** for its role as a world supplier of harmless, environmentally friendly energy -alternatives".

"We fully support the federal government's green energy ambitions for Australia," he said.

Dr Forrest said the government's \$2 a kilogram subsidy for green hydrogen was "absolutely imperative to get our country into a leading position to produce a replacement for oil and gas".

"At the very least **Fortescue's** green iron plans will rely on green hydrogen," he said.

Dr Forrest added that "only delinquent irresponsible leaders will advocate for the continued use of extremely damaging -energy sources" as climate change set in.

"Green electricity is the only source of rapid to develop, -inexpensive new sources of energy," he said.

He claimed **Fortescue's** green energy expansion would be done in years. In a late market announcement on Wednesday, **Fortescue** said it had appointed acting chief financial officer Apple Paget to the role on a permanent basis, and moved chief corporate officer Shelley Robertson to the position of chief operating officer. **Fortescue** shares closed down 23c at \$22.36 on Wednesday.

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