

To: The Manager
Announcements
Company Announcements Office



Public Announcement 2004 – 3AWC

Attached is a copy of a media release concerning State Government approval for an efficiency upgrade to the Pinjarra alumina refinery, an asset of the Alcoa World Alumina and Chemicals (AWAC) global joint venture between Alumina Limited and Alcoa.

A handwritten signature in black ink, appearing to read "Stephen Foster".

Stephen Foster
Company Secretary

6 February 2004

Alumina Limited

ABN 85 004 820 419

GPO Box 5411
Melbourne Vic 3001
Australia

Level 12 IBM Centre
60 City Road
Southbank Vic 3006
Australia

Tel +61 (0)3 8699 2600
Fax +61 (0)3 8699 2699
Email
info@aluminalimited.com

► **February 2004**

For Immediate Release

Approval of Efficiency upgrade for AWAC Pinjarra alumina refinery

Alcoa of Australia Limited, part of the Alcoa World Alumina and Chemicals (AWAC) global joint venture between Alumina Limited and Alcoa, today announced that it had received the Western Australian Government's environmental approval for the Pinjarra Refinery Efficiency Upgrade. A copy of the announcement is attached.

The A\$440 million efficiency upgrade will consolidate Pinjarra as AWAC's leading edge and most cost competitive refinery.

AWAC, the world's largest alumina producer with a 25% share of world alumina production capacity, is a global joint venture between Alumina Limited (40%) and Alcoa (60%).

For further information:

John Marlay
Chief Executive Officer
Alumina Limited
Telephone: (03) 8699 2601

Alcoa World Alumina Australia is the global leader in alumina production and Australia's sixth largest resources sector exporter. Alcoa is an integrated business comprised of bauxite mining, alumina refining, aluminium smelting, rolling and canned sheet products, with operations in Victoria, Western Australia and New South Wales.

Media Release

6 February 2004

Alcoa's \$440 million Pinjarra Efficiency Upgrade approved

Alcoa World Alumina Australia today welcomed the Western Australian Government's environmental approval of the \$440 million Pinjarra alumina refinery Efficiency Upgrade.

Alcoa Managing Director Wayne Osborn thanked the State Government and said work on the project would begin next month.

"This is a major investment in Western Australia and specifically the Peel region. Alcoa has demonstrated an ongoing commitment to Western Australia since it began production in 1963 and this project enhances Alcoa's growth potential into the future," Mr Osborn said.

Alcoa's operations in Western Australia play an integral part in the growth of the world's aluminium industry. Alcoa's total alumina production capacity makes WA the biggest single source of alumina in the world, able to supply more than 15 percent to the international market.

"The Pinjarra Efficiency Upgrade will have major economic and environmental benefits for the people of Western Australia," Mr Osborn said.

Environmental outcomes

"Alcoa has a global commitment to operate with cleaner air, better use of land and water, and the protection of human health," Mr Osborn said.

"To achieve this, Alcoa has set global targets for our world-wide operations covering key areas such as a world-wide commitment to reduce by 50% volatile organic compounds (VOCs) by 2008 from a base year of 2000.

"The Pinjarra Efficiency Upgrade delivers this global commitment with a major air emissions upgrade. World best practice air emissions management will result in a reduction in total atmospheric emissions from the refinery.

"For example, there will be an overall reduction of about 10% in VOC's and a 25% overall reduction in particulate emissions from the calciners. There will also be a reduction of over 90% in carbon monoxide (CO) emissions from the oxalate kiln and an offset of the increase in refinery oxides of nitrogen (NOx).

Community engagement

Mr Osborn said the successful design and implementation of the Efficiency Upgrade was the result of Alcoa's close working relationship with the local community.

"We approached the project with sustainability principles clearly in mind. An integral part of this has been the Stakeholders Reference Group (SRG) that represents the views of the local community on an ongoing basis.

"In particular, the SRG has liaised with Alcoa on the environment, social and economic aspects of the upgrade and assisted Alcoa review the draft Environmental Protection Statement (EPS) which was submitted to the Environmental Protection Authority (EPA)," he said.

"Community involvement on the project has been exemplary as it has been extensive, responsive and fully engaging to ensure the project contributes to the community's vision for the future. This further demonstrates the open and involving nature of Alcoa's project management."

Economic outcomes

The Pinjarra Efficiency Upgrade will increase export revenue by up to \$160 million per annum and enhance the financial contributions Alcoa makes to local communities each year, currently \$1.1 billion each year.

"Improving our competitiveness will provide secure employment for more than 4000 West Australians employed by Alcoa in regional communities and 15,000 indirectly employed throughout regional WA. The upgrade project will create a peak of 1,000 jobs during the construction phase," he said.

Mr Osborn said the \$440 million upgrade of the Pinjarra refinery was a part of Alcoa's long-term global strategy to make Alcoa's alumina business the most efficient in the world.

"The Pinjarra refinery is currently one of the world's most efficient alumina refineries accounting for around 7 per cent of the international market. Following the Efficiency Upgrade, its annual production of alumina will increase from 3.4 million tonnes of alumina per year (tpa) to 4.2 million (tpa) and there will also be significant savings in production costs.

Work on the Pinjarra Efficiency Upgrade will begin within the next month and the construction phase expected to take nearly two years with completion by the end of 2005.

Alcoa is the world's leading producer of primary aluminium, fabricated aluminium and alumina, and is active in all major aspects of the industry. Alcoa serves the aerospace, automotive, packaging, building and construction, commercial transportation and industrial markets, bringing design, engineering, production and other capabilities of Alcoa's businesses as a single solution to customers. The company has 120,000 employees in 41 countries.

Alcoa's Australian operations consist of two bauxite mines, three alumina refineries, two aluminium smelters and two aluminium rolling mills. The company provides over 6,000 jobs in Australia and operates the largest integrated bauxite/alumina refining/aluminium smelting system in the world. For more information go to www.alcoa.com.au

Further information: **Jo Ferrie**
 Alcoa Public Affairs and Media
 Mb: 0404 800 417

Note to editors: "Alcoa World Alumina" should not be contracted to "AWA." This acronym is the registered name of another company.
Alcoa World Alumina Australia is a trading name of Alcoa of Australia Limited, ACN 004 879 298