

From the Power Station Manager

I am pleased to provide this update to the Anglesea and Surf Coast community.

One month after Alcoa's announcement to close the Anglesea mine and power station on 31 August, we continue to be focused on running our operations

safely and assisting employees with their career transition planning

I would like to recognise all 85 employees who have responded in a composed and mature way to the announcement, and the way the broader Anglesea community has supported them and their

families. Our priority, until August 31st, is to ensure the physical safety and emotional wellbeing of our team and their families, during this difficult transition.

Warren Sharp, Anglesea Power Station Manager

Environmental considerations and mine rehabilitation

At this point in time Alcoa's focus remains on the safe operation of the facility as it moves towards closure and assisting employees with their career transition planning. Alcoa is currently developing technical plans for the safe closure of the power station and mine.

Fire prevention continues to be a fundamental consideration in our operations. We have always taken this very seriously, and are proud that in 50 years of operation we have not had any significant fire events. Part of the closure plan will be eliminating the risk of coal mine fire in the future. The intention is that the mine site's exposed coal will be covered by 31 August.

Moving forward, a rehabilitation plan will be developed with input from all relevant stakeholders.

Alcoa has considerable Australian and international expertise in industrial site and mine rehabilitation and remediation activities.

The Mineral Resources (Sustainable Development) Act 1990 provides the framework in relation to rehabilitation, ensuring the mine is rehabilitated in a manner that provides a safe and stable environment for the long term.

A timeframe for this, inclusive of consultation, has not been yet established. Alcoa will work closely with all relevant stakeholders throughout this activity.

Alcoa is already in close liaison with the Earth Resources Division of the Department of Economic

Development, Jobs, Transport and Resources.

Alcoa has committed \$US40 - \$US45 million to asset retirement and environmental remediation for Anglesea.

There will be a change to Alcoa's mine and power station water flows when the operations close, which may have implications for river flow in the Anglesea River. There are currently three main contributors to the Anglesea River estuary – Salt Creek, Marshy Creek and the Alcoa related water component. We are currently working through the technical detail of the closure plan, to fully understand what the changes to mine and power station water flows will be and will continue to consult with key stakeholders.

Ongoing community consultation

Alcoa has a long history of community engagement at Anglesea, including a well established Community Consultation Network (CCN) that is open for any local resident to participate in.

The most recent CCN was held on Monday 18 May. A summary of the discussions are outlined in this article and are also available at www.alcoa.com.au/anglesea or email angleseaps@alcoa.com.au for a copy.

As always, should you have any questions about our operations, please call or email us, visit our website or come along to our next Community Consultation Network meeting.

Closure Announcement

On 12 May, Alcoa announced that it would permanently close the Anglesea mine and power station, effective 31 August 2015.

The Anglesea power station previously supplied approximately 40 percent of the power needs for the Point Henry smelter in Geelong. Alcoa said in February 2014 that it would conduct a sale process for the site, which has been operating as an independent supplier to the National Electricity Market since the smelter closed in August 2014. The sale process did not result in a sale.

Alcoa has been a proud member of the Anglesea community for more than 46 years, and our focus is in supporting our employees and their families, our contractors, suppliers and community partners through this transition.

Alcoa is committed to making decisions about the future of the site fully considerate of all regulatory requirements, required site assessments, and stakeholder consultation.



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Alcoa Anglesea Power Station

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Decommissioning of the Anglesea Power Station

EPA Victoria will oversee the closure, decommissioning and demolition of the power station based on the appropriate Australian National standards. The priority will be to ensure that any works have minimal offsite impacts.

Future use of the site

It is expected that the leased component of the site will return to the management of State government at the appropriate time. There is no plan as yet for the future management of the Alcoa-owned freehold land portion.

We urge the community to be cautious about raising expectations about the future of the site, including future land uses, timeframe estimates and employment prospects, without the involvement of all the appropriate stakeholders.

Community partnerships

Alcoa has enjoyed partnerships with many local charitable, environmental, sporting, education and community organisations across 46 years. We are proud of their collective achievements in the Anglesea community and are in awe of the many hundreds of community members who volunteer their time to make Anglesea a better place. We are considering how best to assist our community partners' transition into the future without Alcoa.

