ANGLESEA POWER STATION COMMUNITY CONSULTATION NETWORK

DECEMBER 2016 MEETING SNAPSHOT

Meeting purpose: A CCN meeting was held on 12 December to provide an opportunity for CCN attendees to discuss the site's decommissioning and rehabilitation and the ongoing community engagement processes for the future of the Alcoa site.



Introduction

The meeting was independently facilitated by Jen Lilburn. 36 people attended, including representatives from Alcoa, community, local and state government.

Environmental Health and Safety

Warren Sharp (Alcoa Site Asset Manager) reported that there had not been any injuries or environmental non-compliances since the last meeting. There have been 3 occurrences of unauthorised access to the closed section of Coalmine Road, all have been reported to police. Alcoa will consider upgrading the explanatory signage on the road.

Fire Risk Mitigation

Warren reminded attendees about the current fire mitigation activities occurring onsite. He showed a video of a recent test run for response to a potential (but unlikely) fire in the coal seam on the west wall (incorporating recommendations from the Hazelwood fire). The west wall constitutes uncovered coal stretching approximately 5-15 metres in height and 800 metres long which has uncovered for between 3 and 20 years and there have been no fire related issues in that time.

Mine Sump Water

The mine sump water is currently pH 6.6. Warren reiterated that dredging of the ash pond has resulted in a beneficial pH reading. Alcoa expects that the pH will reduce in the long term. Alcoa will actively manage the water quality in the mine sump with the objective of reaching a reasonable water quality (pH better than 5) such that it will allow for a variety of uses. The current Relative Level (RL) is -29 metres and is expected to be +7 metres RL in the future. (RL is essentially sea level).

Decommissioning and Rehabilitation

Dean Schmidt (Project Engineer) provided an update on the activities that have taken place since the last CCN meeting. The results of the independent asbestos audit matched internal estimates as to the location and volume of asbestos onsite. Asbestos removal will commence in March 2017. The aim is to have the asbestos consolidated in the landfill by the end of 2017 followed by capping and closure in 2018.

The bike park lease on Alcoa freehold land has been extended through to the end of 2017. Barwon Water has leased Ash Pond 2 (containing approximately 90 megalitres) to support management of the Anglesea River. In response to a previous request, Dean showed photos of the Ash Pond 1 ash removal process (Figure 1).

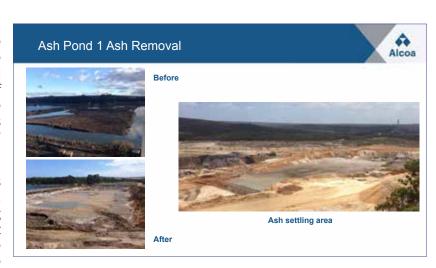


FIGURE 1

Geotechnical Study Update

Chris Rolland (Mine Rehabilitation Supervisor) updated the meeting on the progress of the Mine Technical Studies. Mining One has been engaged to undertake the geotechnical studies including answering key questions on surface stability and lake erosion. Chris stressed that preliminary findings are still in draft and subject to change as the studies progress. At the conclusion of the water and geotechnical technical studies, they will be independently peer reviewed before being incorporated into the revised Mine Closure Plan.

For the geotechnical work, the site has been divided into areas of similar geotechnical attributes, known as domains, and likely or potential failure modes have been tested for each of the domains. The technical studies look at factors of safety, probability of failure etc. There are also specialist erosion experts looking specifically at erosion and erosional stability issues and options.

Warren explained that, in the short term, Alcoa is responsible and accountable for the site solution through the preparation and implementation of the revised Mine Closure Plan, which will be signed off by DEDJTR. Andrew Radojkovic (DEDJTR) said the plan will be accompanied by a rehabilitation bond which forms the financial liability to ensure that the Closure Plan is achieved. Lisa Opray (DELWP) stated that the longer term responsibility lies with the

state (DELWP), which will take responsibility for the Crown land following the transfer of land once it is satisfied that the land is safe and rehabilitated.

Chris presented the preliminary findings of the vegetation studies in relation to the biodiversity values at the site as shown in Figure 2. The lake footprint has also been placed over models of the site. The extent of the water body is shown at +7m RL. The request was made that, given there will be much more water in this environment in the future, modelling be undertaken to understand potential impacts on indigenous vegetation, for example, in terms of the impacts of increased humidity on orchids.

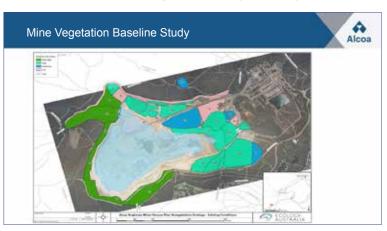


FIGURE 2

Community Engagement

The community engagement timeline is on track and a concept for the revised Mine Closure Plan will be developed during January – February . Community feedback will then be actively sought on the concept. The Draft Closure Plan document is scheduled for submission to DEDJTR in May 2017. Three months has been allowed for the approvals process.

A draft Master Plan for the power station (which is on Alcoa freehold land) is scheduled for September 2017, depending on the revised Mine Closure Plan being completed on time. Alcoa plans to be talking to the community about the power station freehold land in Quarter 3 and 4, 2017.

If these dates move at all Alcoa will communicate this to the community.

Agency Update

Surf Coast Shire (SCS) reported that the upcoming Anglesea Futures Community Conversations will cover land use, the heathland and water issues. SCS and DELWP will work towards a draft Land Use Framework Plan that can provide input to Alcoa's Masterplan. Anglesea Futures meetings will continue to occur every two months http://www.delwp.vic.gov.au/parks-forests-and-crown-land/anglesea-futures.

EPA reported receipt of Alcoa's latest Quarterly report (http://www.alcoa.com/australia/en/anglesea/news-reports. asp), a requirement under its Clean Up Notice, on 1 December.

DELWP reported that the Crown Land handback process is on track with the intention to bring the legislation to the Spring session of Parliament which runs into early 2017. The exact portions of the land to be part of the handback is still under negotiation and it doesn't include any of Alcoa's freehold land.

Next meeting: Monday 13 February 2017, 6pm at the Senior Citizens Club, McMillan St, Anglesea

The purpose of this document is to give community and other stakeholders a summary of what took place at the CCN meeting on Monday 12 December. For a full account of discussions at the meeting, email angleseaps@alcoa.com.au requesting a copy of the minutes.

The CCN, established in 2001, provides advice and feedback on issues relevant to Alcoa, to assist it becoming more responsive to the needs and concerns of the community. For further information about Alcoa and any of the topics in this snapshot, visit www.alcoa.com.au/anglesea.