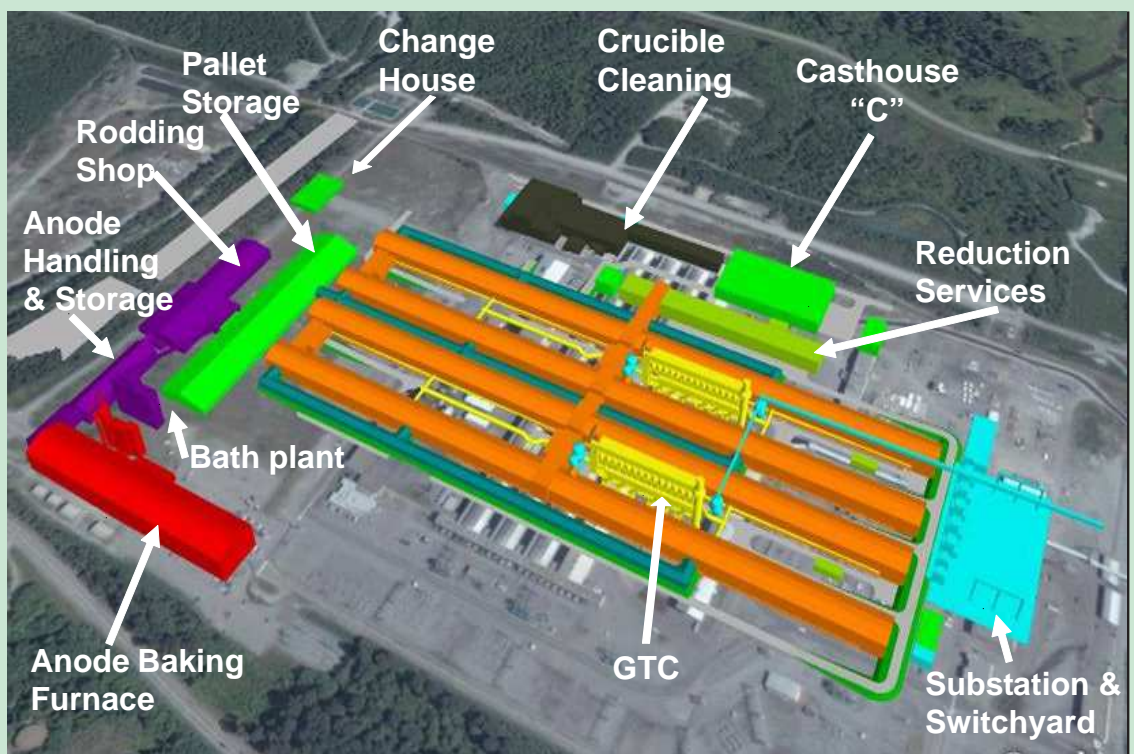


## A bright future for Kitimat

'Building the Future Together' in the Pacific Northwest region of the province of British Columbia, Canada, the Kitimat Modernization Project is a key strategic brown field initiative for Rio Tinto Alcan Primary Metal North America.

The Kitimat Modernization Project teams will construct state of the art infrastructure and deliver the latest generation of AP technology extending and sustaining the future of the Kitimat aluminum smelter for decades to come. BC Operations will be Rio Tinto's largest wholly-owned smelter and one of three largest in North America.

### KMP New Potroom Lay-out as of September 2009



This new potroom lay-out concept is awaiting final approval.



Michel Lamarre  
Project Director  
Kitimat Modernization Project  
Read Michel's message on page 3.

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Rio Tinto Alcan media releases: [www.riotintoalcan.com](http://www.riotintoalcan.com)  
Rio Tinto media releases: [www.riotinto.com](http://www.riotinto.com)

### HSE Summary (Bechtel and Contractors)

Health & Safety	Quarter	YTD	Inception to Date
LTI/LWD	0	0	0
Recordable	0	1	2
First Aid	1	3	12
Near Hit/Near Miss	0	6	7
<b>Environmental</b>			
Level I - Significant incident	0	0	0
Level II - Manageable on site	0	0	1
Level III - Minor incident	0	5	22

## Welcome to the 1st Edition

Welcome to the first edition of the Kitimat Modernization Project News - an e:newsletter dedicated to communicating the latest developments and activities on the project. The Project team and the Operations team will report news and construction activities taking place quarterly, highlighting current, on-going and future activities.

### Distribution of e:newsletter

A limited number of copies of the e:newsletter will be printed and available at each of the employee entry Gates – A, Main, Wharf and Anode Paste Plant.

This e:newsletter will also be available on the Rio Tinto Alcan BC eRoom and the Prospect Portal for the internal

employee audience. For the external stakeholder audience, this e:newsletter will be available on the Kitimat Modernization Project web site:  
[www.kitimatworksmmodernization.com](http://www.kitimatworksmmodernization.com).

### Recent activities

A tremendous amount of anticipation and coordination of activities and effort by the KMP Construction team, the Bechtel team, and the ABB team along with sub-contractors Viking and TL&T has been focused on the arrival and storage of the transformers and rectifiers.

On Wednesday, July 29, two transformers and 40 crates of material from ABB Brazil were unloaded at the Kitimat Works wharf. The next day, Thursday, July 30, the transformers

were then transported to the containment area. August and September activities

While the ABB team continued to assemble and oil fill the transformers, the KMP team was finalizing safe work plans and preparation work for the removal of 'B' Gate and its associated electrical work.

The 16 transformers are now in storage (see photo on page 3).

## Kitimat Modernization Project News

September 2009  
Volume 1 Number 1

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You can also visit us at:  
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Please respect KMP News deadlines for submitting copy, revisions and/or photographs. The deadline is the 10th working day of the month prior to publication date.

If printing this e:newsletter, please recycle.



## Message from Project Director Michel Lamarre

It is with pleasure that I introduce the first edition of the Kitimat Modernization Project newsletter, establishing our primary communication tool to keep you informed about the latest activities surrounding the Kitimat Modernization Project (KMP).

### Our Goal is Zero

Safety is our number one priority! We are all responsible to ensure we work safely. During this period of reduced site activity, it gives us an ideal opportunity to focus on reviewing and improving our Health Safety and Environment (HSE) systems. Our goal is definitely zero – zero harm to project employees and zero harm to the environment. I am impressed with the seriousness that our site contractors

(mainly local) have embraced this philosophy along side our site team (Rio Tinto Alcan and Bechtel) working towards our 'journey to zero'.

### Improved project financial position

We are proud of what we have achieved on KMP to date, and in particular, during this year of economic slow down. The global recession undoubtedly impacted the rhythm of the project, but nevertheless, the project team, composed of RTA owners' team and the EPCM contractor Bechtel, put the extra time available to introduce cost savings initiatives – the Value Improvement (VI) process. The team has set aggressive targets to achieve an improved project financial position, with the

aspiration of making KMP the model for future projects. Cost improvements across the whole extent of the project are being evaluated, including innovative designs and challenging implementation strategies. I'm delighted the team is committed to delivering, if not exceeding, upon this mandate. This exercise is expected to be completed by the end of the first quarter 2010, which allows us time to rebuild a firm scope.

### Site activities

KMP is still on target with the 2009 contracting plan launched in February 2009, during local contractor workshops. Site activities for 2010 are being developed and will be announced in late November to our local contracting

community. Given the slower pace of the project, it is rewarding that this has actually been beneficial for many local contractors who have developed initiatives to deliver the 2009 contracting plan. Good job!

### Full commitment

Rio Tinto remains fully committed to the modernization of the Kitimat smelter. While, the world economic impact on KMP has been disappointing for all of us, it is important to appreciate that project work in other jurisdictions has also slowed down, and in some cases, halted. KMP is fortunate to continue forward and we must believe that it remains one of Rio Tinto's highest project priorities.

## Contracting plan update for 2009

Contract	Status	Progress
• General Services	Awarded	Work in progress
• Air Monitoring	Awarded	Work in progress
• Mechanical Installation: Valve Chamber re-work	Awarded	Work in progress
• Electrical Installation #1	Awarded	Work in progress
• Storm Water Management, North & South Anderson Creek	Bids under evaluation	
• Storage Pad for Rectifiers / Transformers	Awarded	Work near completion
• Soils Excavation #1	Awarded	Work in progress
• Soils Excavation #2	Awarded	Work in progress
• Hydroseeding	Awarded	Work completed
• Cleaning and Demolition of existing plant	Bids under evaluation	
• Enviro Monitoring	Awarded	Work in progress
• Soil Excavation Monitoring	Awarded	Work in progress
• Inspection of existing pipe SW North end of plant and sewer lines near potlines 1&2	Awarded	Work in progress

## Construction activity report for 2009

- Transformers and rectifiers arrived and oil filling in progress.
- Construction of a 60x180 foot concrete pad for containing and storing transformers and rectifiers.
- Earthworks in camp laydown area.
- New helicopter landing pad constructed at south end of plant site.
- Hydroseeding of berms in laydown area and at the new helipad.
- Major cable relocation for new switchyard.
- Demobilization of Line 1A.
- New bus shelters and parking lot update done in 'A' Parking Lot in preparation for the closure of 'B' Parking Lot.
- Six new bridge cranes, unloaded in Line 1A; four of which will be used for Lines 7 & 8 and two will be used in Line 1B.
- New carbon offices for Bechtel and KMP site manager and various team members.
- Signing of Project Labour Agreement between Kitimat Modernization Employer Association and 16 Labour unions.
- Environmentally friendly Hybrid vehicles purchased for KMP team.
- Workshops held throughout the year, including contractor forum and contractor safety training and two supplier forums.



All 16 transformers in storage at the wharf.  
Photo courtesy of: ABB Group

# Events, Milestones, Activities ...



From left: Bechtel's Michael Lewis, RTAs Paul Henning, and KMPs Brent Hegger announcing KMP and Bechtel EPCM.



Brent Hegger



From left: Daniel Allaire and Michel Lamarre during the KMP scoping ceremony.



Colleen Nyce



Pieter Taljaard



Allen Veasey



Above left: Paul Henning, VP, BC Ops, strategic projects western Canada spoke to those who attended the signing ceremony for the Project Labour Agreement between Kitimat Modernization Employer Association and 16 labour unions.

Below: PLA - signed, sealed and delivered.



Richard Blais



From left: Daniel Howell, Kevin Dobbin, David Frazer, Marc-Elle Morin at opening ceremonies of the KMP Community Office.

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