

Open Letter from Alcan to Employees and the People of Kitimat and Kitamaat Village

It gives me great pleasure, on behalf of Alcan Inc., to advise residents of the Northwest region that the much-anticipated modernization plan for our Kitimat aluminum smelter (Kitimat Works) was announced on Monday, August 14 in Kitimat by President Alcan Asia Pacific and Africa, Marco Palmieri, and in Vancouver by Cynthia Carroll, Alcan Inc. Senior Vice President and President & CEO of the Alcan Primary Metal Group. The implementation of the modernization project is subject to the final approval of Alcan's Board of Directors and to certain conditions, including environmental permits and the successful conclusion of agreements with B.C. Hydro and the CAW union.

The modernization and expansion of Kitimat Works, which will see the new smelter producing up to 400,000 tonnes of aluminum per year by 2012, is anticipated to cost more than \$1.7 billion. The new plant will consume more power than has ever been consumed in the smelter's history.

For almost 10 years, Alcan has been working hard to identify a modernization project for Kitimat Works that would meet Alcan's threshold for investment and sustainability values. After spending more than \$25 million on a number of feasibility studies, we have finally succeeded.

Over the coming weeks and months, you will hear much more about this modernization plan and its economic benefits for the region. For now, it is important to know that this project will secure 1000+ highly-skilled and technically-enhanced jobs in much safer and environmentally superior working conditions. Due to the anticipated wave of retirements over the next 5-6 years, layoffs are not part of our workforce restructuring plan.

I am very proud to be the Director of Operations for Alcan in B.C. at this historic moment in British Columbia. It has taken a lot of hard work and determination on the part of Alcan employees to remain focused on safety and performance in order to gain the Board's confidence for this investment. We also appreciate the support of the business communities in Kitimat and Terrace, the Haisla First Nation, and our neighbouring communities along the Highway 16 corridor, as well as the efforts of the B.C. Government to help bring this major project to fruition.

By construction's end, Kitimat Works will once again take its rightful place as one of Alcan's largest wholly-owned smelters and one of the most modern smelters in the world.

Sincerely,

Paul Henning,
Director of Operations

