

# Press Release

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**FOR IMMEDIATE RELEASE**

## **ALCAN PROCEEDS WITH PREPARATIONS FOR THE KITIMAT WORKS MODERNIZATION PROJECT**

*COMPANY SIGNS ENGINEERING AND DESIGN CONTRACT WITH ABB GROUP*

**Kitimat, British Columbia – June 21, 2007** – Alcan Inc. announced today that it has signed a contract with ABB Group for the design and engineering of a new high-voltage substation that will provide power to the planned expansion of Alcan's Kitimat smelter. Terms of the contact were not disclosed.

Michel Jacques, President and CEO, Alcan Primary Metal Group stated: "Alcan is pleased to announce the signing of this contract. It demonstrates our commitment to the Kitimat Works Modernization Project and our promise to our labour union, CAW local 2301, that we would move forward after the long-term labour agreement was ratified."

The contract with ABB Group will allow for the design and engineering of Kitimat's new power substation. ABB Group has announced plans to establish a permanent office in the Kitimat community by August 2007.

The announcement of the contract was made at Alcan's new Modernization Information Office in Kitimat, where Paul Henning, Managing Director of BC Operations for Alcan Primary Metal, stated that: "This is a significant step forward for Alcan in BC. With today's announcement, we are demonstrating Alcan's continued commitment to Northern BC and our determination to move forward with the modernization project," he added.

The Kitimat Works Modernization Project was announced on August 14, 2006 and 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 BC Hydro and the CAW union. Alcan reached an agreement with CAW in May 2007 and is currently working to satisfy the other two conditions.

The modernization of Alcan's Kitimat smelter would increase Alcan's annual global primary aluminum production by more than four percent and make Kitimat not only one of Alcan's largest wholly-owned smelters, but also one of the three largest in North America. Kitimat's aluminum production would increase by 40 percent and reduce GHG emissions by half a million tonnes per year.

Alcan Inc. (NYSE, TSX: AL) is a leading global materials company, delivering high quality products, engineered solutions and services worldwide. With world-class technology and operations in bauxite mining, alumina processing, primary metal smelting, power generation, aluminum fabrication, engineered solutions as well as flexible and specialty packaging today's Alcan is well positioned to meet and exceed its customers' needs. Alcan is represented by 68,000 employees, including its joint-

ventures, in 61 countries and regions, posted revenues of US\$23.6 billion in 2006. The Company has featured on the Dow Jones Sustainability World Index. For more information, please visit: [www.alcan.com](http://www.alcan.com).

*Statements made in this press release which describe the Company's intentions, expectations or predictions may be forward-looking statements within the meaning of securities laws. By their nature, forward-looking statements involve risk and uncertainty; the Company's actual results or actions could differ materially from those expressed or implied in such forward-looking statements. Reference should be made to the Company's latest Quarterly Report on Form 10-K for a summary of factors that could cause such differences.*

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