

# Press Release

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**FOR IMMEDIATE RELEASE**

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

*COMPANY SIGNS CONTRACT FOR A DETAILED FEASIBILITY STUDY AND PRELIMINARY ENGINEERING WITH BECHTEL*

**Kitimat, British Columbia – July 13, 2007** – Alcan Inc. announced today that it has signed a contract with Bechtel to produce a Detailed Feasibility Study and Preliminary Engineering to confirm the cost estimate and overall project and execution schedule of the planned expansion of Alcan’s Kitimat smelter as conditionally announced on August 14, 2006. Terms of the contract were not disclosed.

Michel Jacques, President and CEO, Alcan Primary Metal Group, stated: “Alcan is pleased to announce the signing of this contract as it is a further demonstration of Alcan’s commitment to the Kitimat Works Modernization Project and to the Northwest Region of British Columbia.”

The contract with Bechtel aims to provide all the planning, engineering and site investigation work necessary to submit to the Alcan Board of Directors for final approval of the project. The project is also subject to certain conditions including environmental permits and the successful conclusion of agreements with B.C. Hydro and the Canadian Auto Workers (CAW) union. Alcan reached an agreement with CAW in May 2007 and is currently working to satisfy the other two conditions.

The scope of Bechtel’s work includes the tendering process of long-lead purchases for the planned smelter, such as busbar, cathode shells, potroom cranes and pot gas scrubbing systems. Bechtel’s work will also take the engineering and process design that has been developed for the Kitimat smelter, which will be equipped with leading-edge AP3X technology, and will incorporate all local building codes and site conditions necessary to move to the execution phase of the Project.

The announcement of the contract was made in Kitimat, where Jean Simon, President for Alcan Primary Metal North America, stated: “This contract underscores Alcan’s confidence in the value and business case underlying the Kitimat Works Modernization Project. We are pleased to make further inroads towards the completion of the project’s 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 capacity 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-Q for a summary of factors that could cause such differences.*

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