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Press release

Rio Tinto Alcan awards US\$200 million contract to Bechtel for Kitimat Modernization Project

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Rio Tinto Alcan has awarded a contract to Bechtel, worth approximately US\$200 million, to conduct the complete engineering, procurement and construction management of the planned approximately US\$2.5 billion Kitimat Modernization Project in British Columbia, Canada. The project would increase production capacity at the smelter by 40%, taking it up to 400,000 tonnes per year.

"Rio Tinto Alcan is pleased to announce the signing of this contract, a critical step towards the realization of the Kitimat project. Bechtel brings together a strong combination of aluminium smelting expertise, worldwide presence, and large project experience," said Dick Evans, chief executive, Rio Tinto Alcan.

Bechtel received an initial contract in June 2007 for preliminary engineering, feasibility and construction pre-work activity which has already begun. It will have construction site offices in Kitimat as well as engineering offices in both Vancouver and Montreal. Final Rio Tinto Board approval of the Kitimat Modernization Project is expected before end of fourth quarter this year.

"This contract with Bechtel will ensure that a state-of-the-art plant with leading-edge technology is efficiently installed at Kitimat within a rigorous execution schedule, and is respectful of our high health, safety and environmental standards of performance," said Jacynthe Côté, president and CEO, Primary Metal, Rio Tinto Alcan.

The project would upgrade the existing 54-year old smelter using state-of-the-art AP technology and increase its aluminium production capacity by 125,000 tonnes using hydroelectric power from Rio Tinto Alcan's Kemano power station. It would also reduce greenhouse gas emissions by more than 40 per cent per year. First metal from the modernized smelter is expected in 2011.

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Rio Tinto's business is finding, mining, and processing mineral resources. Major products are aluminium, copper, diamonds, energy (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt, talc) and iron ore. Activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

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