

Media Statement



Thursday 1 December 2016 to present day

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CURRENT STATEMENT: Wednesday, 11 January 2017

Alcoa of Australia Managing Director, Michael Parker, said today that the company remained in constructive discussions with the Victorian and Commonwealth governments regarding the Portland aluminium smelter. Commercial discussions also continue on a new power supply agreement.

“We very much appreciate the constructive working relationship with all parties involved in this complex situation,” Mr Parker said, “including our joint venture partners in the smelter.

“Since the power outage on 1 December last year, Alcoa and the government have done a great deal of analysis of Portland and our employees, contractors, suppliers, customers and the Portland community can be assured that every possible option is being considered.

“Our goal is for the smelter to be viable in its own right without the need for government support, but clearly in the current environment that remains a significant challenge,” Mr Parker said.

The smelter employs approximately 500 permanent employees and 160 contractors. Portland Aluminium contributes more than \$120 million to the local economy each year in wages and salaries and local supply contracts.

The Portland Aluminium smelter is a joint venture between Alcoa of Australia Limited (55%), CITIC (22.5%), and Marubeni Aluminium Australia (22.5%).

UPDATE: Wednesday 21 December 2016

Portland Smelter Update

Alcoa Corporation Chief Executive Officer Roy Harvey met in New York with Australia’s Minister for Industry, Innovation and Science Greg Hunt and Victoria Minister for Industry and Employment Wade Noonan to discuss the Portland Aluminum smelter in Victoria, Australia. The smelter has been operating at less than 30 percent capacity since a fault on the Victorian transmission network on 1 December caused a more than five-hour power outage at the plant.

Mr. Harvey expressed appreciation for the extensive assistance offered by the Government of Australia and the Victoria Government to restart the smelter’s lost production and said the offers would be carefully reviewed. Mr. Harvey also discussed the challenges faced by the smelter at today’s energy and metal prices.

Mr. Harvey acknowledged the importance of the Portland Aluminum smelter to employees and the local community and committed to continue working with the Government of Australia and the Victoria Government.

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UPDATE: Monday 12 December

Portland Aluminium has commenced a program to enable up to two thirds of its workforce to take their annual paid leave while production remains curtailed following the power outage on 1 December.

Power was lost to both of the smelter's potlines for approximately five and a half hours when a fault occurred on the Victorian transmission network. As a result of the outage and subsequent instability, production on one potline remains halted. A portion of the other potline is operating.

"The efforts of all employees and contractors during the outage and the days following has been outstanding," said Portland Smelter Manager Peter Chellis. "Allowing people to take their paid annual leave now will ensure a safe and efficient operation and minimise any hardship to families and the larger community while an assessment of the plant is completed."

Leave will be implemented across all facets of the business, including operations, staff, and maintenance.

Portland Aluminium appreciates the support of unions, government and community leaders as it works through the challenges ahead.

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UPDATE: Monday 5 December at 10am

Work continues to stabilise smelter

Alcoa is continuing to stabilise the Portland smelter after it experienced a power outage on 1 December when a fault occurred on the Victorian transmission network. Production on one of two potlines remains halted. A portion of the other potline is operating.

Our efforts to ensure a safe work environment continue and we are extremely grateful to our workforce for the hours they have dedicated at the plant during this time.

We are now beginning to assess the operational impact of the outage and, given the significance of this event, we have substantial challenges and analysis ahead of us. As that work is completed, we will provide an update.

We recognize the importance of the smelter to our employees, their families and the larger community, and we appreciate the support of government and the community leaders with whom we continue to work with constructively.

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UPDATE: Friday 2 December 2016 at 3.30pm

Work continues to stabilise smelter

Work is continuing to stabilise the Portland smelter following a power outage yesterday morning. Power was lost to both of the smelter's potlines for approximately five and a half hours when a fault occurred on the Victorian transmission network at approximately 1:15am Thursday morning.

As a result of the outage and subsequent instability, production on one potline was halted yesterday afternoon.

"All our efforts are focussed on ensuring a safe work environment, and maintaining stability and production in line two," Smelter Manager Peter Chellis said today.

"This has been a very challenging situation, the most challenging in our 30 years of operation, and the response of our workforce has been fantastic. Many have volunteered to come in on their day off to help," Peter said.

The full extent of the impact from the power outage is not known at this time.

UPDATE: Thursday 1 December 2016 at 4.30pm

Production at Portland smelter partially curtailed

At approximately 1:15am this morning Portland Aluminium lost power to the smelter when a fault occurred on the Victorian transmission network.

Power was lost to both of the smelter's potlines for approximately five and a half hours.

As a result of the outage and subsequent instability, and to ensure the safety of people inside the plant, one potline has been curtailed. Efforts are focussed on maintaining production in the smelter's second potline.

It is too early to speculate on the full impact of the power outage, or on how long it may take to restore normal operations.

UPDATE: Thursday 1 December 2016 at 9am

At approximately 1:15am this morning Portland Aluminium lost power to the smelter.

Auxiliary power was returned at approximately 4:30am while power to the potlines was restored at approximately 7.00am.

Portland Aluminium was doing routine maintenance on one transmission line when a fault, external to the plant, occurred with the remaining line, leaving the potlines without power for approximately five and a half hours.

Power was returned through switching of transmission lines and Portland Aluminium is currently working to restore normal operations.