Alcoa Anglesea Clean Up Notice Quarterly Communication Issue 2, Q1 2016



KEY OBJECTIVES

Alcoa of Australia Limited's ('Alcoa') goal for its Anglesea Power Station and Mine location is to complete environmental assessment work consistent with the requirements of the National Environmental Protection Measure 1999 (Assessment of Site Contamination) (as amended 2013) ('NEPM') and also consistent with the final end land use strategy as it develops.

Alcoa will also ensure compliance to the requirements of the Clean Up Notice 90006380 ('Notice') as issued to the location by the Victorian Environment Protection Authority ("Authority') on 10 October 2015. The Notice requires the submission of quarterly reports on the soil and groundwater assessment activities at the Anglesea location and to confirm if any unacceptable risk to the environment has been identified. In the event of identifying contamination posing an unacceptable risk to the environment, Alcoa must develop and implement an interim clean-up plan in response to such an occurrence.

KEY METRICS

	YTD (Q1 2016)
Non-Compliance with Laws and Regulations	0 (0)
Identified unacceptable risks to Human Health and Environment	0 (0)

NEPM

Activities since closure:

Since the station closure in August 2015, Alcoa has continued to extract, treat and discharge groundwater to the Anglesea River at the request of Government. Alcoa has communicated its intent to cease discharge to the Anglesea River as of March 31st 2016 at the Anglesea CCN meeting held on February 8, 2016, with the Authority present at this meeting.

Alcoa is currently working on the engagement of an EPA-Appointed Auditor, as required by Condition 3.3 of the Notice.

Planned activities for 1 March 2016 – 30 May 2016:

Alcoa will engage an EPA-Appointed Auditor by April 1st 2016, with written notification submitted to the EPA, confirming the auditor appointment.

Management and monitoring of the water discharged to the Anglesea River will continue, as required by the site Licence under the Discharge to Water conditions, at licensed discharge point (SP1) until the cessation of discharge at the end of March 2016. Alcoa will formally notify the EPA of this separately. Alcoa will commence work on the development of Work Scopes for the Preliminary Site Investigations, in accordance with the NEPM, in preparation for engaging a consultant to conduct the environmental assessment work.

Physical works may also commence associated with the removal of residual ash from the Ash Ponds as part of ongoing general clean-up activities around the site.

ENVIRONMENTAL PERFORMANCE

There have been no non-compliance incidents since the cessation of operations.

IDENTIFIED UNACCEPTABLE RISKS & CLEAN UP PLAN

There have been no unacceptable risk issues identified.

COMMUNICATIONS UPDATE

Alcoa has continued to engage with the local Anglesea community by continuing its Community Consultative Network meetings. An overview of the location environmental, health and safety metrics and the site activities, which include any updates on the decommissioning work and the environmental studies, have been presented and discussed.

In 2016, the first CCN meeting of the year was held on February 8, with the next scheduled for April 11, 2016. The quarterly reports will be communicated to the CCN group. This forum continues to enable community stakeholders the opportunity to ask questions and receive information on the decommissioning project.

The Alcoa Anglesea website [www.alcoa.com.au/anglesea] continues to be updated. After submission to the EPA, a copy of this quarterly report will be made available on the website. The previous report has been uploaded.

Alcoa Anglesea has continued to brief Government agencies on the status of the onsite activities undertaken since closure.

CONTACT

If you have any questions regarding the project or this update bulletin, please feel free to contact;

Mr. John Osborne Director - Asset Planning & Management - Eastern Australia p. 5245 1354 | e. john.osborne@alcoa.com.au

Mr. Warren Sharp Location Manager – Asset Planning & Management – Point Henry & Anglesea p. 5245 1621 | e. warren.sharp@alcoa.com.au

Ms. Nicci Marris EHS Manager – Asset Planning & Management p. 5245 1640 | e. nicci.marris@alcoa.com.au.