

# Press Release

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**FOR IMMEDIATE RELEASE**

## **ALCAN AND MA'ADEN SIGN HEADS OF AGREEMENT FOR PROPOSED US\$7 BILLION "MINE-TO-METAL" JOINT VENTURE**

*FULLY INTEGRATED PROJECT TO INCLUDE BAUXITE MINE, ALUMINA REFINERY, POWER PLANT AND ALUMINUM SMELTER IN SAUDI ARABIA*

### **Project Highlights:**

- 90 Mt bauxite reserve – representing a potential 30 years of mining
- 1.6 Mt/y alumina refinery
- Power plant delivering 1,400 MW to the project
- 720 kt/y aluminum smelter – with potential to expand to 2.1 Mt/y

**Riyadh, Kingdom of Saudi Arabia – April 30, 2007** – Alcan announced today that it has signed a Heads of Agreement with Saudi Arabian mining company Ma'aden to develop a proposed US\$7-billion integrated aluminum "mine-to-metal" project including bauxite mining, alumina refining, power generation and aluminum smelting. Alcan would hold a 49-percent stake in the project and would provide technology and operating management support, with Ma'aden holding the balance of 51-percent ownership.

"Alcan is pleased to participate in the development of this outstanding project in the growing and dynamic Kingdom of Saudi Arabia. This world-class project has an ideal combination of competitive energy resources, local bauxite, well-developed infrastructure and favourable logistics," said Dick Evans, President and Chief Executive Officer of Alcan Inc. "Consistent with Alcan's primary metal strategy, this project has the potential to achieve one of the lowest operating costs in the industry and become one of the world's largest smelters," he added.

The agreement was signed in Riyadh in the presence of His Excellency, Engineer Ali Al-Naimi, Saudi Arabian Minister of Petroleum and Mineral Resources and Chairman of Ma'aden, by Dr. Abdullah Al-Dabbagh, President and CEO of Ma'aden and Michel Jacques, President and CEO of Alcan Primary Metal Group.

His Excellency, Engineer Ali Al-Naimi said, "I welcome the partnership of Alcan and Ma'aden in realizing this landmark project which will be one of the largest, vertically integrated operations of its type in the world. The operation will promote economic growth within the Kingdom of Saudi Arabia, diversify the country's economic and industrial base and create employment opportunities through opening up new sectors of economic activity."

"Ma'aden's mine-to-metal project complements our attractive pipeline of projects in new regions for Alcan, including those at Sohar, Oman and COEGA South Africa," said Michel Jacques. "The project will be built on Alcan's unsurpassed technology, leveraging our unique combination of alumina and aluminum capabilities, resulting in

more energy-efficient and cleaner processes. Furthermore, the smelter -- initially based on two AP 36 potlines -- will be designed to accommodate a potential expansion of four additional lines that could increase annual production to over two million tonnes," he added.

Dr Dabbagh added, "This joint venture and our recently signed phosphate agreement with SABIC represent notable milestones in Ma'aden's vision of expanding the scope of mining and associated industries in the Kingdom and making mining the third pillar of Saudi industry, complementing Saudi Aramco and SABIC, the Saudi Basic Industries Corporation. We are pleased to have Alcan as our partner for this project. Alcan's global experience combined with their team's strong operating capabilities will prove vital in delivering long term success."

As one of the world's largest vertically integrated projects of its kind, the initial operations feature a power plant delivering 1,400 megawatts; a 90 million tonne bauxite reserve located in Az Zabirah in northern Saudi Arabia representing a potential 30 years of mining; an alumina refinery with a capacity of 1,600 thousand tonnes per year; an aluminum smelter with a capacity of 720 thousand tonnes per year, and will leverage Saudi Arabia's port facilities and infrastructure. The alumina plant, aluminum smelter and power generation facilities would be located in the new Minerals Industrial City at Ras Az Zawr, on the east coast of Saudi Arabia. First metal would be expected during the first quarter of 2011, and first alumina a year later.

Next steps will include completing the joint venture agreement and pursuing project financing arrangements for capital costs.

Ma'aden was established as a Saudi Arabian joint stock company in March 1997 and is presently owned 100% by the Saudi Government. Its purpose is to facilitate the development of Saudi Arabia's non-petroleum mineral resources and to diversify the Kingdom's economy away from the petroleum and petrochemical sectors. Ma'aden is engaged in the development, advancement and improvement of all aspects of the mineral industry, mineral products and by-products and related industries in Saudi Arabia.

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, and 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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