

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 (Q2 2016)
Non-Compliance with Laws and Regulations	0 (0)
Identified unacceptable risks to Human Health and Environment	0 (0)

NEPM

Activities since closure:

In late March 2016, Alcoa engaged an EPA-Appointed Auditor, Mr. Darryl Strudwick of AECOM, as required by Condition 3.3 of the Clean Up Notice. Notification of this formal engagement was submitted to the Authority by the Auditor on March 23 2016, confirming the appointment.

A site familiarisation tour was conducted with the Auditor in May.

Since the station closure in August 2015, Alcoa continued to extract, treat and discharge groundwater to the Anglesea River at the request of Government. As planned and aligned with written notification to EPA Victoria, groundwater extraction ceased during March 2016, with discharge to the Anglesea River subsequently ceasing on March 31, 2016. Water monitoring undertaken by an independent consultant showed compliance with all licenced water quality requirements.

Work continued during the quarter on the removal of residual ash from the Ash Ponds, in addition to digging out of the stormwater pond system as part of the ongoing general clean-up activities around the site.

Work also commenced on the preparation of the Asbestos Landfill for the planned future receipt of asbestos containing material associated with the future decommissioning of the Power Station.

Planned activities for 1 June 2016 – 31 August 2016:

Alcoa will finalise the Work Scope for the Preliminary Site Investigation, in accordance with the NEPM, in preparation for engaging a consultant to conduct the environmental assessment work.

Physical works will continue for the removal of residual ash from the Ash Ponds as part of ongoing general clean-up activities around the site, and associated with the ongoing preparation of the asbestos landfill ahead of the planned commencement of Power Station decommissioning later in 2016.

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

During the quarter stakeholder engagement has been undertaken broadly with representatives from a broad range of sectors including environment, commerce, tourism, education, community, recreation, local residents and holiday home owners, and government, where the progress of activities has been discussed.

In late March, Alcoa launched a formal community engagement program to seek the community's views on the future use of the Alcoa site. Two listening posts and two community workshops have been undertaken, in addition to a dedicated [community engagement website](#).

In addition to the above program, Alcoa has continued to engage with the local Anglesea community through its regular Community Consultative Network (CCN) 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.

During this quarter, the second CCN meeting of the year was conducted on April 11 with more than 35 people in attendance, with the next scheduled for June 6. This forum continues to enable community stakeholders the opportunity to ask questions and receive information about Alcoa.

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.