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To: Company Announcements Office
ASX

By: Electronic Lodgement

ALINTA'S CO-GENERATION PROJECT GOES UNCONDITIONAL

Attached is a News Release dated 10 September 2003 regarding the above matter.

Murray King
Company Secretary

Enclosure

News Release



10 September 2003

Alinta's Co-generation Project Goes Unconditional

Alinta's Board has given unconditional approval to proceed with the first co-generation unit to be installed at Alcoa's Pinjarra alumina refinery.

The approval comes after the finalisation of all necessary agreements. The major agreements include:

- stand-by arrangements with Western Power
- agreement with Santos and Apache in relation to the supply of gas to the unit
- supply of steam, operations and maintenance, and sale of the land agreements with Alcoa
- contract to supply and install the co-generation unit with Mitsubishi/Downer's joint venture.

Alinta's Chief Executive Bob Browning confirmed Alinta has secured sufficient customer load to underpin the first co-generation unit with over 110MW of electricity pre-sold.

"The level of demand has been encouraging and demonstrates consumers' desire for cheaper and cleaner electricity," Mr Browning said.

While Alinta has sufficient cash reserves for the initial stages of the project, finance for the remainder of the project is currently being finalised with a syndicate of three banks.

Construction of the 140MW co-generation unit is due to commence in the last quarter of 2003, with electricity produced for sale commencing from July 2005.

Once the unit is commissioned, Alcoa will use all of the steam output in its Pinjarra refinery, and Alinta will sell the electricity direct to contestable customers, producing significant greenhouse gas emission benefits.

Mr Browning said the project would not have been possible without the Government's commitment to energy market reform.

"The partnership between Alinta and Alcoa can reach its full potential if the proposed reforms happen. WA consumers will benefit from increased competition in power generation and retailing," he said.

Ends

For more information please contact:

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