

REFINING MOMENTS

MARCH 2005

A Message from QAL's MD



Welcome to the first edition for 2005 of Refining Moments, QAL's community newsletter designed to keep you up-to-date with our activities.

It has been a busy number of months since our last edition late last year - inside you will find a snapshot of our recent activities.

We are pleased to announce that work has commenced on demolition of the old calcination kilns, signifying a milestone in history for QAL which will eventually change our skyline for ever. This work will carry on for the next 12 months.

Updates on other capital environmental improvement projects are covered including commissioning of our third boiler baghouse and an alumina dust reduction project.

QAL understands that in order to prosper and grow, we need to have the support and understanding of the community in which we work. We recently undertook another Corporate and Community Issues Survey (conducted every two years) to gain a measurement of our current standing in the community. Results show improvements are being made however we recognise that we also have a way to go in closing the gap between our performance and community expectations. Details of the survey are covered inside.

QAL's Community Forum continues to be a valuable medium for information sharing. Most recently, the Forum and QAL's Board of Directors held its third annual meeting to review the Forum's input, direction and purpose. Regular Forum meetings will continue throughout the year.

The last few months have also seen QAL welcome its fresh, new blood for 2005 as part of its ongoing apprenticeship and graduate program. We have a record 77 apprentices on site this year, making QAL one of the largest host employers of apprentices in Central Queensland. We are proud to be able to provide support to apprentices and graduates, giving them a headstart into exciting and diverse careers.

QAL has another big year ahead and we look forward to reporting more news in coming editions. Thank you for taking an interest in our operations and I hope you enjoy the read.

Kind regards

A handwritten signature in black ink, appearing to read 'J. van Zyl'.

Johann van Zyl
Managing Director



QUEENSLAND ALUMINA LIMITED

QAL Owners Meet with Community Representatives



The third annual meeting between community representatives and the QAL Board of Directors was held in January with Forum representatives pleased with the Board's opinion and approach in working towards reducing environmental and community impact.

The annual meeting provides both forum members and the Board an opportunity to discuss QAL's performance of the previous year as well as providing an opportunity for the Board to thank community representatives for their valuable input over the year.

QAL Managing Director Johann van Zyl said the annual meetings reiterate QAL's support of the community and the importance of their feedback to QAL's Owners.

"The Forum has been exceptionally valuable to QAL in understanding community expectations and we are appreciative of their positive attitude," Mr van Zyl said.

"Both the regular Community Forums and the annual Board/Forum meetings demonstrate the depth of QAL's commitment to environmental improvement and the value of community input".

QAL Community Forum representative and Convenor of the Gladstone Clean Air Action Group Sam Ricciu commented on the benefits of the meeting.

"The Forum is working quite well and is a role model for other industries to follow. The progress made to date shows that industry and community can work together to bring about necessary change," Mr Ricciu said.

"An urge for quicker resolutions to community impact remains our key focus area together with ensuring new processes don't negatively impact the community".

Results show a 26% reduction in community complaints for 2004 compared to 2003. A major reduction but a figure the Board would like to also see reduced to zero.

Members of the public can join the Community Forum by contacting QAL Community Relations on 4976 2488 or toll free on 1800 181 110.

QAL / CQU Scholarship

Late last year, QAL announced local Central Queensland University (CQU) engineering student Tanya Marbach as the 2004 QAL Scholarship winner.

Ms Marbach is currently studying Bachelor of Engineering (Cooperative) and will also receive practical work experience and paid vacation employment at QAL as part of her scholarship.

QAL Managing Director Johann van Zyl said the QAL scholarship program was an important part of QAL's commitment to local education, the development of youth and the future of Gladstone.

"The selection of a QAL scholar is not only based on academic excellence, but also community involvement, overall personal presentation and commitment to the successful completion of studies as a full time student at Central Queensland University and to the central Queensland area," Mr van Zyl said.

The QAL scholarship program has been running since 1975. It is open to CQU students whose homes are in the Port Curtis region, who are full-time first year students proceeding from year 12 and are enrolled in one of the following QAL industry related courses: applied science (including environmental studies), business, engineering or information technology.

Tree Planting

The QAL Tree Planting Committee will be undertaking the first of four sessions planned for the year on Thursday April 7 at 4pm.

The goal is to plant 3000 trees throughout the year and continue to revegetate the buffer zone area between QAL and Barney Point, excluding the natural tidal area.

Anyone interested in helping can contact QAL Community Relations on 4976 2448 or 1800 181 110.

We value your support of our operations. If you would like to know more about information inside this edition, or would like to give feedback on the impact of QAL's operations, please contact QAL Community Relations, Parsons Point, Gladstone, Queensland 4680, telephone 1800 181 110 (for community related issues) or (07) 4976 2211 (for general inquiries), email media@qal.com.au, visit our website at www.qal.com.au or mail: Parsons Point, Gladstone Queensland 4680 Australia.

New Blood: 2005 QAL Apprentices Start

QAL has a record 77 apprentices on site this year making it one of the largest host employers of apprentices in Central Queensland.

During January QAL welcomed 18 new apprentices to site, the third intake of a four-year program aimed at increasing apprenticeship indentures on site.

Apprentice Mechanical Training Supervisor Brad Richardson said QAL is committed to providing youth in the region with viable employment opportunities through the apprenticeship program.

"It makes perfect sense from a business point of view. Our apprenticeship scheme not only provides young people in the region with solid employment, but also ensures us a future of skilled workers, which is necessary for growth," Mr Richardson said.

"Again, like past years, we have a large cross-section of apprentices creating a very diverse workforce. In particular, we have apprentices from both ends of the scale – some are straight out of school, while others are mature age having accepted adult apprenticeships".

First year Fitting and Turning Apprentice Andrew Sullivan has been in his job just a few months, but has a unique support base being a third generation QAL employee.

"I've settled in really well - both my father and my grandfather are working at QAL with my father also obtaining his apprenticeship through QAL," Mr Sullivan said.

"I've been given a great opportunity to be able to gain experience in a diverse environment which in the long run will give me an advantage".

Of QAL's new apprentices, nine are fitting and turning, eight electrical instrumental and one boiler maker.



Survey Shows Positive Results

Results from QAL's recent Community and Corporate Issues Survey indicate it is on the right track in addressing issues of concern to the local community.

Undertaken every two years, the core of the survey was to determine those attributes that are most important to the community, the role QAL should be playing as a corporate citizen and most importantly, to gain a measurement of its current standing in the community.

Results show the gaps between what the community expects and what QAL is delivering is closing.

Similar to the results of the previous survey (2002), conservation of the environment is still of the greatest concern to community with workplace safety emerging as a major role for companies to address.

Of particular note, the top two attributes with the largest reputational gaps – 'cares for the environment' and 'admits mistakes' saw significant decreases (22.5% and 11.6%

respectively), illustrating QAL is working hard to meet the community's expectations.

In total, 13 attributes registered decreases in reputational gaps, with only two registering an increase.

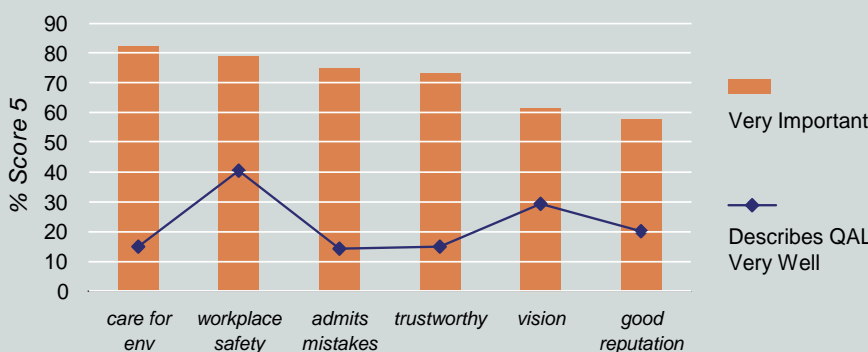
QAL Managing Director Johann van Zyl said whilst the survey shows QAL has made significant progress in reducing community impact, it recognises that it still has a way to go in meeting community expectations.

"We recognize that achieving the best possible relationship with the Gladstone community is an essential ingredient in continuing our success as the world's largest alumina refinery," Mr van Zyl said.

"To prosper and grow, QAL needs to have the support and understanding of the community in which it operates."

QAL would like to thank community members who participated in the survey. Without their feedback, it would be difficult for QAL to fully understand their concerns and address them. Further details of the survey will be published in the QAL 2004 Health, Safety, Environment and Communities Report due for release in April.

Reputational Gaps in Top 6 Attributes



Environmental Project Update

Alumina Dust Reduction

As part of QAL's ongoing capital environmental improvements, a \$500,000 project to suppress visible alumina dust has recently been commissioned and is achieving impressive results.

A series of three horizontal bag filters were strategically installed last December along the alumina conveyor belt which transports alumina from the island storage shed to the wharf.

The bags essentially operate like a vacuum cleaner bag with the alumina dust particles attaching to the sides. Pulses of compressed air are then released at regular intervals, releasing the dust back onto the conveyor which in turn, reduces the amount of dust released into the atmosphere.

Project Leader Ian Gibb said the project is the culmination of extensive research to ensure QAL is committed to the best technology available.

"We had the option of installing both vertical or horizontal bag filters during this project however research showed that the horizontal filters would have the greatest advantage to us in terms of operation and maintenance. They are the first of their kind installed in Australia by the particular company and are certainly proving their worth," Mr Gibb said.

"Although it is not possible to remove dust completely given that alumina dust is so fine, we have reduced visible dust levels dramatically which demonstrates we are on the right track in reducing our operational impacts," he said.

The project will continue to be monitored closely to ensure ongoing performance. Investigations are also underway into the feasibility of installing more horizontal bag filters throughout the plant in the future.



Alumina dust conveyor belt before and after the bag filters were installed.



Calcination Update

With commissioning of the three new state-of-the-art gas suspension calciners complete, demolition of the old calcining section has begun – signifying a milestone in history for QAL.

Over the next 12 months, the original nine calcination kilns will be progressively dismantled, along with the electro-static precipitators and three stacks, changing QAL's skyline for ever.

QAL Managing Director, Johann van Zyl said it was the beginning of a new era for the plant, but may also be reminiscent for many locals who built the original calcination kilns during the 1960s and 70s.

"QAL was the first major heavy industry in Gladstone providing work for hundreds of people. I'm sure there are still many locals who remember their contribution to this plant and maybe even more specifically, to building the kilns," Mr van Zyl said.

In 2004 important design changes to the three \$175 million Calciner units were finalised ensuring the units were capable of producing at design tonnages by the end of 2004.

Despite commissioning taking longer than expected, the new calcination plant continues to prove its exceptional environmental performance, exceeding initial design expectations with a 95 per cent reduction in alumina dust emissions.

Boiler Two Baghouse Installed

Queensland Alumina Limited's (QAL) environmental improvement program has again progressed with the successful installation in March of another \$7 million baghouse to reduce fly ash emissions.

With three boilers now complete, only four remain to be fitted as part of QAL's \$233 million investment into environmental improvement. As each boiler comes off line for its four yearly statutory maintenance shutdown, they are fitted with dust collection units which dramatically reduce fly ash emission levels to less than 20mg/Nm³. The baghouse project will be complete by March 2007.

In Brief: 2005 Targets

2005 will be a year of continued environmental improvement. Initiatives include:

- Delivery of capital projects to reduce coal and alumina dust emissions from conveyor transfer points
- Investigation into improved wharf loading facilities to reduce alumina dust emissions
- Internal odour survey to further investigate point sources of plant odour
- Further modifications to the thermal oxidiser to improve time in operation
- Installation of baghouse on boiler four
- Planting of 3000 trees in the buffer zone between QAL and the community
- Delivery of capital projects to reduce alkali emissions
- Decommissioning of the remaining alumina rotary kilns
- Outsourcing of burnt lime supplies and consequent decommissioning of two rotary lime kilns