

NZAS reaches deal with Meridian to extend operations to 2024

14 January 2021

Rio Tinto has reached an agreement on a new electricity agreement with Meridian Energy that allows New Zealand's Aluminium Smelter (NZAS) to continue operating the Tiwai Point aluminium smelter until December 31, 2024. The extension provides certainty to employees, the local community and customers while providing more time for all stakeholders to plan for the future.

While discussions with the New Zealand government are progressing in relation to their commitment to address the smelter's high transmission costs, a new agreement has been reached with Meridian Energy in relation to power prices, making the smelter economically viable and competitive over the next four years.

The extension also provides time for detailed closure studies to be completed and for NZAS to support the government and Southland community in planning for the future. Plans for eventual closure of the Tiwai Point smelter will include extensive stakeholder consultation, including within the Southland community and reflect the company's robust closure and remediation standards.

Rio Tinto Aluminium chief executive Alf Barrios said "We are pleased to have reached an agreement with Meridian Energy that will enable the Tiwai Point smelter to continue producing some of the lowest carbon aluminium in the world. This agreement improves Tiwai Point's competitive position and secures the extension of operation to December 2024. It also provides Rio Tinto, the New Zealand government, Meridian, and the Southland community more time to plan for the future and importantly gives our hard-working team at Tiwai and our customers the certainty they deserve."

In July 2020, Rio Tinto announced the conclusion of a strategic review of the smelter and a decision to wind down operations by August 2021 due to high energy and transmission costs.

NZAS is a joint venture between Rio Tinto (79.36%) and Sumitomo Chemical Company Limited (20.64%). It employs around 1000 people directly and creates a further 1600 indirect jobs in Southland.

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This announcement is authorised for release to the market by Rio Tinto's Group Company Secretary.