



Media Release – January 24, 2018

MANAMA (ALBH)

## *Alba Launches Project Titan - Phase III*

Aluminium Bahrain B.S.C. (Alba), the home-base for Line 6 Expansion Project, announced the launch of Phase III of its company-wide, cost reduction programme Project Titan with the aim to reduce cash-cost by US\$ 60 per metric tonne of aluminium and step-up its production capacity to 1,000,000 metric tonnes per annum by end of 2018.

Project Titan Phase III, aims to optimize the Company's operational costs, boost Value-Added Sales as well as increase its production, is an integral part of Alba's strategy for value-creation and sustainable operations.

Explaining further, Alba's Chief Executive Officer Tim Murray said:

"Preparation is key if we are to seize the right opportunities in the future.

By stretching our limits via Phase III of Project Titan, our resilience will allow us to improve our operational efficiency and maintain our competitive position in the industry."

ENDS

### Photocaption

Tim Murray, Alba's CEO

### About Alba

Aluminium Bahrain B.S.C. (Alba) - one of the largest and modern aluminium smelters in the world - is renowned for its premium grade aluminium products, technological strength and innovative policies, strict environmental guidelines and high track record for safety. Established in 1971 as a 120,000 tonnes per annum smelter, Alba today produces more than 981,000 metric tonnes per annum of the highest grade aluminium, with products including standard and T-ingots, extrusion billets, rolling slab, properzi ingots, and molten aluminium.

Alba is listed on both the Bahrain Bourse and London Stock Exchange, and the Company's shareholders are Bahrain Mumtalakat Holding Company (69.38%), SABIC Industrial Investment Company (20.62%) and the General Public (10%).



## About Line 6 Expansion Project

Alba's Line 6 Expansion Project is one of the largest brownfield developments in the region. Expected to begin production by January 1st 2019, this Project will boost the smelter's per-annum production by 540,000 metric tonnes, bringing its total production capacity to 1.5 million metric tonnes per year.

With a CAPEX of approximately US\$ 3 billion, the Line 6 Expansion Project involves the construction of a sixth pot line utilising EGA's proprietary DX+ Ultra Technology, a 1,792 MW Power Station (Power Station 5) and other industrial services.

Bechtel is the EPCM contractor for the Line 6 Expansion Project smelter. For Power Station 5 (PS 5), GE and GAMA Consortium was awarded the EPC contract, while Siemens is the Power Distribution System contractor. J.P. Morgan, Gulf International Bank (GIB) and National Bank of Bahrain (NBB) are the Financial Advisors for this Project.

In June 2015, Alba Board approved the Line 6 Expansion Project and in November 2015, Alba secured the natural gas supply for this Project.

Alba successfully closed a US\$ 1.5 Billion syndicated term-loan facility comprising two tranches: Conventional Facility & and Islamic Facility in October 2016 as well as the first tranche of the Export Credit Financing of c. US\$ 700 million for Euler Hermes and SERV-covered facilities in July 2017. The Company is looking to secure the second tranche of the Export Credit Agency (ECAs) within the first quarter of 2018.

The Front End Engineering Design (FEED) study for the Project was completed in the first quarter of 2017. The construction site-works have started in the second quarter of 2017 while the mass earthworks was completed by the end of the third quarter of 2017 as per schedule. Alba has also laid the First Concrete in Potline 6 Foundation in May 2017 wherein the concrete foundations will reach 85,000 m3 upon completion by December 2018. The overall project progress to-date exceeded 36% (wherein engineering progressed more than 70% while contracts and procurement advanced by more than 80%).

The Line 6 Expansion Project will make Alba the world's largest single-site aluminium smelter and be a significant economic boost for the Kingdom of Bahrain due to the many co-investment opportunities through local and foreign aluminium investments.

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