AMENDMENT OF THE RECORD OF DECISION ATTACHED TO THE AUTHORISATION ISSUED IN TERMS OF SECTION 22 OF THE ENVIRONMENT CONSERVATION ACT, ACT 73 OF 1989, FOR THE CONSTRUCTION OF A PRIMARY ALUMINIUM SMELTER IN THE COEGA INDUSTRIAL DEVELOPMENT ZONE

Refer to your letter dated 2 December 2004 requesting approval in terms of Condition 8.1.4 of the Record of Decision for a change in smelting technology from AP50 to AP35.

1. Amendment of Record of Decision

You are hereby informed that the following sections of the Record of Decision issued on 20 December 2002 are amended as contained in the Amendment Notice attached as Annexure One to this letter:

Section 1: Description of Activity
Section 8: Conditions of Authorisation and more specifically the following conditions:
Condition 8.1.16
Condition 8.3.4
Condition 8.5.6
Condition 8.5.14
Condition 8.5.21
Condition 8.6.6.6
Condition 8.6.15
Condition 8.11.2
The following conditions have been added:
Condition 8.4.11
Condition 8.6.22
Condition 8.6.23
Condition 8.6.24
Condition 8.6.25
Condition 8.6.26
Condition 8.6.27
Condition 8.11.10

In addition all reference to Aluminium Pechiney as contained in the original Record of Decision (reference ECm1/1/48-02) dated 20 December 2002 to be substituted with Alcan.

This letter and attached Amendment Notice #2 must be attached to the original Record of Decision issued on 20 December 2002 and the Amendment Notice issued on 22 December 2003 and must be read in conjunction therewith.

2. Duration of Amendment Notice
   • Construction of the aluminium smelter using AP35 technology to commence within one calendar year of the date of issue of this Amendment Notice.
   • Construction to be completed within 42 months of commencement.
   • Conditions relating to the operation of the project are valid for the lifetime of the project.

3. Notification of Interested and Affected Parties and the public

All registered Interested and Affected Parties to be informed that an Amendment Notice to the Record of Decision has been issued. In addition the issuing of the Amendment Notice to be advertised in all the newspapers used in the public participation process. Such notification and advertisements to state at least the following:

   • That an amendment to the Record of Decision has been issued to Alcan to proceed with the construction and operation of an aluminium smelter in the Coega Industrial Development Zone using the AP35 technology instead of the previously approved AP50 technology;
   • That any appeals against the issuing of the Amendment Notice must be lodged with the MEC for Economic Affairs, Environment & Tourism at the address stipulated in Point 5 of this letter; and
   • Where copies of the Amendment Notice as well as the Original Record of Decision dated 20 December 2002 and the Amendment Notice issued on 22 December 2003 can be viewed/obtained.
4. Key Factors considered in issuing the Amendment Notice

- An Authorisation and Record of Decision was issued in December 2002 to Aluminium Pechiney for the construction and operation of a primary aluminium smelter in the Coega Industrial Development Zone. The Coega Aluminium Smelter was to utilize the new AP50 smelting technology. During 2003 Aluminium Pechiney was acquired by Alcan which resulted in a review of Pechiney’s existing and proposed projects, including the Coega Aluminium Smelter. This resulted in Alcan undertaking a feasibility study for the proposed Coega Aluminium Smelter using AP35 smelting technology rather than the previously proposed AP50 smelting technology.

- It is important to note that the Record of Decision issued in December 2002 remains valid. This application is not for authorisation of a new listed activity as contemplated in terms of Section 21 of the Environment Conservation Act, Act 73 of 1989, but for a change in technology. Condition 8.1.4 of the Record of Decision states: Any changes in the project that could have significant environmental impacts and that would differ from that which were authorised by DEAE&T to be submitted to DEAE&T for approval prior to such changes being effected. Therefore the Amendment Notice only considers the proposed change in technology from AP50 to AP35.

In this regard, it was considered appropriate to conduct a detailed Technology Review in order to determine the environmental impacts associated with the change in technology and how these could be addressed.

- The change in technology will necessitate the construction of two potlines instead of the previously proposed one potline. This will result in an increase in production of primary aluminium. The main environmental impacts associated with the change in technology relate to:
  - Increased air emissions;
  - Increased atmospheric fallout of pollutants contained in air emissions, resultant pollution of storm water and impacts on natural systems;
  - Increased waste generation, management and disposal of solid and liquid waste;
  - Increased pollution levels in storm water being discharged to the marine environment; and
  - Increased consumption of resources such as water and electricity.

- In general the Technology Review undertaken is deemed to be thorough and comprehensive and the Final Technology Review Report has adequately captured the main issues. The assessment and approach to management and mitigation of these issues are also adequately addressed.

- The public participation process followed as part of the Technology Review is deemed to be thorough and comprehensive. In this regard the requirements of the EIA regulations have been satisfied.

- Although the change in technology will result in higher impacts on the environment, such impacts are proportional to the increase in production envisaged for the AP35 smelter. In this regard the information at hand is deemed to be sufficient and adequate to make an informed decision. It is the opinion of DEAE&T that the increased negative environmental impacts associated with the
project can be kept within acceptable limits if the conditions contained in the Record of Decision as amended are implemented and adhered to (especially when seen in the context of the smelter being located in an area allocated for extensive industrial development).

5. Appeal

A written appeal against the decision to issue an Amendment Notice in order to allow for the proposed change in technology from AP50 to AP35 may be lodged, in terms of Section 35(3) of the Environment Conservation Act, Act 73 of 1989, with the MEC for Economic Affairs, Environment and Tourism within 30 days from date of issue. The address for submission of appeals is:

Attention: The Chief Director: Environment Affairs
Department of Economic Affairs, Environment and Tourism
Private Bag X 0054
Bhisho
5605

Only appeals on environmental grounds can be considered. All appeals should be accompanied by relevant supporting documentation.

NGUBESIZWE SOKUPA
CHIEF DIRECTOR: ENVIRONMENTAL AFFAIRS (ACTING)
DATE:_______________