



**ADAM GILES** MLA | Member for **BRAITLING**

**Chief Minister**

**MEDIA RELEASE**

## **GOVE DECISION NO LONGER ABOUT GAS**

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26 November 2013

Chief Minister Adam Giles has confirmed that a complete gas solution for the town's alumina refinery is now on the table but has warned that Rio Tinto's final decision is no longer about gas.

"Cabinet was briefed yesterday by representatives of Rio Tinto who said the board would be making a decision about the refinery's future soon," Mr Giles said

"Through a combination of work by the Territory and Federal governments, Rio Tinto has now been offered all the gas it said it needed. The Federal Government has also agreed to underwrite the construction of a pipeline to get the gas to Gove.

"Earlier this month, I wrote to Rio Tinto's Chief Executive, Sam Walsh, asking if there was anything further the Northern Territory Government could do to support a decision in favour of keeping the refinery open.

"Rio Tinto wrote back, acknowledging the tireless efforts of the NT Government to secure gas for Gove.

"In the letter, Rio Tinto acknowledged that there is nothing more that could reasonably be expected to be done by either the NT or Federal governments to support the business case for gas.

"Cabinet has been advised that a decision now hinges on the refinery's long-term economic viability, and not the availability of gas."

In a notice to staff this morning, Rio Tinto confirmed it has decided not to proceed with converting the refinery to gas and it is now considering whether it is viable to continue operating on heavy fuel oil or move to curtailment

"Rio Tinto has noted that the refinery is a high cost asset operating in a tough economic environment, even with the offer of gas that is on the table," Mr Giles said.

"Continuing low alumina prices, a high exchange rate and substantial after-tax losses for the refinery are other key factors under consideration by Rio Tinto.

"Rio Tinto has promised to keep staff, the community and the Northern Territory Government informed of progress with its deliberations.

"A decision is now in Rio Tinto's hands and we remain hopeful the company will act in the interests of staff and the local community and keep the refinery open."

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