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Press Release

Kennecott Utah Copper awarded Outstanding Leadership in Energy Efficiency and Conservation Award by Utah Association of Energy Users

Power plant proposal will significantly decrease emissions while generating more power to support mine life extension

May 12, 2011

(South Jordan, Utah) – Kennecott Utah Copper has received the *Outstanding Leadership in Energy Efficiency and Conservation Award* from the Utah Association of Energy Users (UAE) during this week's 26th annual Western States Energy Conference. The award is for the proposed repowering of Kennecott's coal-fired power plant to largely run on natural gas through a combined-cycle natural gas turbine, thereby doubling the plant's efficiency rating and significantly reducing emissions. Kennecott was nominated for this UAE award in recognition of Kennecott's overall leadership and proactive energy strategy.

Announced by Kennecott in December 2010 as part of the Cornerstone Project, which is the plan to extend the life of the Bingham Canyon Mine, the repowered power plant would significantly reduce emissions in the Salt Lake Valley. In addition, the repowered portion of the plant will provide up to 275MW of electrical power to the mining operation using combined-cycle natural gas generation technology.

Kennecott estimates that significant reductions (20 percent of overall emissions) will be made in its emissions of air pollutants. Repowering three of four coal boilers with natural gas will significantly decrease priority criteria pollutants on an annual basis, while burning natural gas year round.

Currently, Kennecott does not run its coal-fired power plant during the winter months; it is however permitted to run on natural gas during this time. An application to the Utah Department of Environmental Quality's (UDEQ) Division of Air Quality (DAQ) has been submitted for the repowered portion of the power plant to be permitted to run year round. The proposed repower will reduce Kennecott's wintertime allowable PM2.5 emissions by more than 90 percent.

While Kennecott recognizes that running its natural gas plant during the winter will result in a slight increase in emissions during that time, there will be larger air quality benefits to the community associated with the massive annual reductions in year round of NOx, SO2 and particulates.

Emission reductions include:

- Decrease annual emissions of sulfur dioxide (SO2), a particulate matter precursor, by more than 1,900 tons per year – a 99% decrease.
- Decrease average annual emissions of nitrogen dioxide (NOX), a particulate matter precursor, by more than 1,500 tons per year - a 95% decrease.
- Decrease PM10 emissions by more than 100 tons per year – a 60% decrease.
- Decrease primary PM2.5 emissions by 25 tons per year – a 30% decrease.
- Decrease greenhouse gas intensity of our power from approximately 1 ton of carbon dioxide (CO2) equivalent per megawatt hour produced to approximately 0.54 ton of CO2e/MWh produced.
- Decrease in truck trips for power plant fuel deliveries – a 60% decrease. Natural gas will be delivered via pipeline directly to the new plant.

Small increases in other pollutants are anticipated as a result of the change in fuel source from coal to natural gas.

- Carbon monoxide (CO) emissions will increase by approximately 90 tons per year. (The EPA's threshold for a significant emissions increase of carbon monoxide is 100 tons per year).
- Volatile organic compounds (VOCs) emissions will increase by approximately 20 tons per year. (The EPA's significant threshold for VOC is 40 tons per year.)
- Hazardous air pollutants will increase by approximately five tons.

Kennecott's repowering proposal will be the single largest effort to improve air quality in the Salt Lake Valley since the company's smelter emissions control technology upgrade in 1995. This proposal represents a significant decrease in primary and secondary particulate emissions from Kennecott's largest point source of emissions. In total, the Cornerstone Project, which includes some emission increases at the mine, will decrease project total emissions by at least 9 percent when the power plant is upgraded and the Cornerstone Project is fully implemented. The proposed natural gas-fired power plant upgrade is nearly twice as efficient as the existing coal-fired boilers that will be replaced.

Announcement of this energy award follows closely on the heels of the 2005 State Implementation Plan (SIP) modification that was approved by the Utah Air Quality Board last week. Changes to separate air permits to accommodate proposed air

emissions increases at the Bingham Canyon Mine, as well as proposed air emissions decreases at Kennecott's power plant, are currently under review by DAQ. These and additional individual regulatory actions are required to extend the life of Kennecott's mining operations from 2019 to 2028.

"We are honored that Kennecott is being recognized for our efforts to increase energy efficiency and reduce air emissions," said Steve Sands, Kennecott's Director of Energy Programs. "The repowering proposal is only one of the many initiatives that Kennecott is working on to improve energy efficiency and reduce the air pollution impact from our operations in the Salt Lake Valley."

Over the past 15 years, Kennecott has invested more than \$50 million dollars in implementing highly-efficient cogeneration systems and has emission reduction programs. For example:

- Kennecott's smelter captures 99.9 percent of the sulphur, making it one of the cleanest smelters in the world. The smelter cogenerates up to 31MW of electricity, approximately 60 percent of the smelter's power needs.
- Kennecott has two vehicle idling reduction programs; one for light/medium/heavy vehicles and one for haulage trucks. Both programs have received awards from the Utah Pollution Prevention Association.
- Kennecott uses a 30 kilowatt solar array at the reverse-osmosis water-treatment facility.
- Kennecott installed a 6.2MW natural gas-powered combined heat and power (CHP) unit at their refinery. The CHP provides all of the refinery's steam needs and more than half of the plant's electrical needs. This CHP unit reduces air emissions by more than 90 percent. A similar 6.2MW unit is being installed at Kennecott's new molybdenum autoclave process facility anticipated to start operating in 2012.
- Kennecott is currently evaluating the addition of compressed natural gas (CNG) vehicles to its fleet. Currently, Kennecott has eight vehicles that are involved in a pilot project. If the project is a success, Kennecott could increase the amount of CNG fleet vehicles.

More information on this proposal can be found at:

<http://www.kennecott.com/in-the-news/?year=2010> December 15, 2010

Graphics about power plant emissions and power supply can be found at:

<http://www.kennecott.com/in-the-news/?year=2011>

About Kennecott Utah Copper

As the second largest copper producer in the United States, Kennecott Utah Copper comprises nearly 25 percent of U.S. copper production. Kennecott's Bingham Canyon Mine is one of the top producing copper mines in the world with total production at more than 19 million tons. In 2010, Kennecott produced approximately

296,000 tons of copper, 596,000 ounces of gold, 4.7 million ounces of silver, 28 million pounds of molybdenum and other products. Rio Tinto purchased the Bingham Canyon Mine and related facilities in 1989 and has invested more than \$2 billion in the modernization since then. KUC has also spent more than \$350 million on the cleanup of historic mining waste and \$100 million on groundwater cleanup. Rio Tinto employs 2,400 people and influences 14,800 indirect Utah jobs and spends \$1 billion in the state of Utah in wages, benefits, taxes and purchases from nearly 1,000 Utah area businesses every year. www.kennecott.com

About Utah Association of Energy Users

UAE members spend over \$400 Million annually on energy, and provide 40,000 highly technical jobs to Utahns. Since 1986, UAE members have participated in all major regulatory and legislative activities that impact electricity and natural gas markets in Utah. Members of UAE are significant users of large amounts of electricity and natural gas, and as a result are greatly affected by rulings of the Utah Public Service Commission. Media contact: Kelly Francone – 801-355-4374.

About Rio Tinto

Rio Tinto is a leading international mining group headquartered in the United Kingdom, combining Rio Tinto plc, a London and NYSE listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange.

Rio Tinto's business is finding, mining, and processing mineral resources. Major products are aluminium, copper, diamonds, energy (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt, talc) and iron ore. Activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and Southern Africa. www.riotinto.com

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