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HD Rio Tinto starts shutdown of Gove alumina refinery

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Rio Tinto has started the shutdown of the Gove **alumina** refinery in Australia's Northern Territory, with the first of three production stages being taken offline earlier this week, a **company** spokesman said in an email to Platts on February 6.

The ramp down of a second production stage will start at the beginning of April and the ramp down of the third and final production stage will start in early June, the **company** said.

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Around two months is required to empty tanks and other storage vessels and clean tanks, pipework and other equipment in each production stage to reach a state of care and maintenance from August, Rio Tinto said.

The **company** announced on November 29 that the high-cost 2.65 **million** mt/year Gove **alumina** refinery would be suspended because of challenging market conditions for **alumina**, and the **company** would instead focus on its bauxite **mining operations** there.

Rio Tinto typically exports **alumina** from Gove to **China** and the Middle East, with occasional consignments to Southeast Asia. **Alumina** buyers in **China** have typically favored shipments from Gove over other Australian ports, because of lower freight costs.

Rio Tinto has two other alumina refineries in Queensland, Australia, that have a combined production capacity of 7.35 million mt/year. Queensland Alumina — a joint venture with Rusal — can produce 3.95 million mt/year at Gladstone, while a wholly owned plant at Yarwun can produce 3.4 million mt/year.

In November Rio Tinto axed a planned revamp of the high-cost Gove refinery operation, before announcing it intended to stop production at the facility on November 29. The **company** had said in February last year it intended to convert the refinery to run on natural gas, instead of heavy fuel **oil**, taking advantage of subsidized natural gas that had been offered by the Northern Territory government. Converting the refinery to gas would reduce the facility's cost of production significantly and help underpin its long-term operating life, the **company** said at the time.

But in September, Rio Tinto subsidiary Pacific Aluminium warned local staff that the Gove refinery's future was once again being reviewed after the quantity of subsidized natural gas offered by the Northern Territory government was reduced. "In February 2013, the Northern Territory government committed to release 300 petajoules of gas from Power and Water Corp's contract with Eni for [onward sale] to the Gove refinery. Since then, the Northern Territory government has announced it is prepared to offer 1.75 petajoules of gas," Pacific Aluminium spokesman Anthony Havers said in September.

Sui Ling Phang

craaus : Rio Tinto Ltd | rtz : Rio Tinto PLC | rtzcra : Rio Tinto Group

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