



September 27, 2004

Monthly Update to Customers, Employees, Suppliers, and Friends of Kaiser Aluminum:

In Today's Hearing

The Court approved an extension of exclusivity through October 25, 2004 for all entities and approved a series of motions related to the company's contemplated sale of its interests in and related to the QAL alumina refinery in Australia and the Valco aluminum smelter in Ghana. In addition, the Court ruled favorably on a number of other items, including agreements with third parties to assume Kaiser's environmental obligations related to certain discontinued sites. Such efforts are part of the company's broad ongoing effort to resolve "legacy-related" items prior to our emergence from Chapter 11.

Liquidity

Liquidity - defined as cash and borrowing availability - continues to be adequate, with routine fluctuations in the range of \$150 million to \$180 million. As we have indicated on a number of occasions, we expect liquidity to decline as the company completes the previously announced sale of certain facilities. Once we complete the planned sale of our commodity assets, we expect that our borrowing availability will likely be in the range of \$50 million to \$100 million, which we think is quite adequate to support our fabricated products business.

Jack A. Hockema
President and Chief Executive Officer