



For Information: Scott Lamb
Telephone: (713) 332-4751

June 1, 2004

**KAISER ALUMINUM SAYS U.S. BANKRUPTCY COURT AFFIRMS
TERMINATION OF RETIREE BENEFITS;
ALTERNATIVE COVERAGE PROVIDED THROUGH COBRA AND VEBA TO
TAKE EFFECT JUNE 1;
CREDITORS RETAIN CERTAIN RIGHTS PENDING FINALIZATION OF
INTERCOMPANY SETTLEMENT**

HOUSTON, Texas, June 1, 2004 -- Kaiser Aluminum said that, in a hearing today, the U.S. Bankruptcy Court for the District of Delaware issued a ruling that has the net effect of confirming the previously announced May 31 termination date of certain existing retiree benefit programs such as medical coverage and life insurance.

Union and salaried retirees whose benefits are terminated are being provided with alternative benefits under COBRA or newly formed Voluntary Employee Beneficiary Associations (VEBAs).

Such changes were previously agreed with the United Steelworkers of America (USWA), certain other unions, and the committee representing the interests of salaried retirees.

At the same time, the Court also ruled today that the Unsecured Creditors' Committee (UCC) would have the right to direct the company to terminate those agreements if Kaiser and the UCC have not signed -- and filed a Court motion requesting approval of -- a separate Intercompany Settlement by June 30, 2004. As more fully discussed in Kaiser's Form 10-Q for the first quarter of 2004, the Intercompany Settlement is intended to resolve prepetition and postpetition intercompany claims.

Kaiser Aluminum (OTCBB:KLUCQ) is a leading producer of fabricated aluminum products, alumina, and primary aluminum.

F-985

Company press releases may contain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The company cautions that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may vary materially from those expressed or implied in the forward-looking statements as a result of various factors.