

POWER CONTRACT

between

LANDSVIRKJUN

and

NORÐURÁL HF.

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AGREEMENT made as of the 7th day of August, 1997, between

LANDSVIRKJUN (The National Power Company), an independent company which is owned by the Republic of Iceland, the City of Reykjavík and the Township of Akureyri and is organized and operated pursuant to Act of the Althing No. 42, March 23, 1983, and whose principal office is located in the City of Reykjavík, Iceland,

and

NORÐURÁL HF. (hereinafter referred to as "Norðurál" or the "Subscriber"), an Icelandic limited liability corporation, having its principal location at Grundartangi, Iceland, which has been organized in accordance with the Enabling Act, as hereinafter defined, the Act of the Althing No. 2, January 30, 1995 on Limited Liability Companies and the Investment Agreement as hereinafter defined, between the Government of Iceland and Columbia Ventures Corporation of 1220 Main Street, Suite 200, Vancouver, Washington 98660, United States of America and Norðurál.

WHEREAS Norðurál has been established on February 28, 1997, by Columbia Ventures Corporation for the purpose of constructing and operating an industrial plant at Grundartangi in the Municipalities of Skilmannahreppur and Hvalfjardarstrandarhreppur, County of Borgarfjardarsysla, Iceland for the production from alumina of aluminium and carrying on such production and related business;

WHEREAS on the basis of the Enabling Act, the Government of Iceland (the "Government") and Columbia Ventures Corporation have entered into the Investment Agreement, which provides for various basic terms and conditions and exemptions from Icelandic law applicable to the construction and operation of the Smelter by Norðurál;

WHEREAS Norðurál will require a substantial amount of power supplied under long-term arrangements for the operation of the Smelter;

WHEREAS Landsvirkjun is engaged in the wholesale distribution of power to public distribution networks and to industrial enterprises in Iceland and Landsvirkjun, upon having entered into an agreement with the City of Reykjavík regarding the sale to Landsvirkjun of power from a geothermal power plant to be constructed at Nesjavellir by Hitaveita Reykjavíkur, is prepared to make available the capacity and to supply the energy to Norðurál necessary to meet the total power requirements of the Smelter, subject to the conditions hereinafter set forth;

NOW THEREFORE Norðurál and Landsvirkjun (hereinafter referred to individually as "Party" and collectively as "Parties") have declared and agreed as follows:

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J.L.

PART I - PRELIMINARY**Article 1 - Definitions**

- (1) In this Agreement, unless the context otherwise requires, the following terms shall have the meanings here indicated:
- (a) "Enabling Act" means the Act of the Althing No. 62, May 27, 1997, to which reference is made in the Preamble hereto.
- (b) "Investment Agreement" means the agreement between the Government and Columbia Ventures Corporation and Norðurál to which reference is made in the Preamble to this Agreement.
- (c) "Smelter" means the aluminium reduction plant and all facilities appurtenant to the plant to be constructed, owned and operated by the Subscriber at Grundartangi in the Municipalities of Skilmannahreppur and Hvalfjardarstrandarhreppur, County of Borgarfjardarsysla, Iceland, as the same shall be constituted and equipped at any particular time, having an initial annual production capacity of approximately 60,000 metric tons of aluminium and initially an anticipated annual average energy requirement of approximately 930 GWh and an anticipated demand of approximately 107 megawatts.
- (d) "Switchyard" means the switchyard to be installed at the Smelter for transformation of high voltage Contract Power to the Smelter.
- (e) "Contract Power" has the meaning assigned to that expression in Article 2 hereof.
- (f) "Firm Capacity" and "Firm Energy" have the respective meanings assigned to these expressions in Article 2 hereof, and are collectively referred to as "Firm Power".
- (g) "Secondary Capacity" and "Secondary Energy" have the respective meanings assigned to these expressions in Article 2 hereof, and are collectively referred to as "Secondary Power".
- (h) "General Conditions" has the meaning assigned to that expression in Article 2 hereof.
- (i) "Guaranteed Supply" has the meaning assigned to that expression in Article 2 hereof.
- (j) "Excess Power" has the meaning assigned to that expression in Article 3 hereof.
- (k) "Firm Commitment" has the meaning assigned to that expression in Article 4 hereof.

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(l) "First Permanent Delivery Date" means the date specified as such in Article 5 hereof.

(m) "Second Permanent Delivery Date" means the date specified as such in Article 5 hereof.

(n) "Construction Power" has the meaning assigned to that expression in Article 5 hereof.

(o) "Point of Delivery" has the meaning assigned to that expression in Article 6 hereof.

(p) "Contract Price" has the meaning assigned to that expression in Article 11 hereof.

(q) "Force Majeure" has the meaning assigned to that expression in Article 20 hereof.

(r) "Contract Period" has the meaning assigned to that expression in Article 21 hereof.

(s) "Project" means the planning, designing, constructing, equipping, commissioning, operation and maintenance of the Smelter.

(2) In this Agreement, unless the context otherwise requires:

(a) Headings are for convenience only and do not affect the interpretation of this Agreement;

(b) The singular includes the plural and vice versa;

(c) A reference to a person includes any company, partnership, trust, joint venture, association, corporation, or other body corporate and any governmental authority or agency;

(d) A reference to an Article, Paragraph or Annex is a reference to that Article or Section of or Annex to this Agreement;

(e) A reference to a document includes an amendment or supplement to, or replacement or novation of, that document but disregarding any amendment, supplement, replacement or novation made in breach of this Agreement; and

(f) A reference to a party to any document includes that party's successors and permitted assigns.

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PART II - POWER SUPPLY

Article 2 - Contract Power

(1) Landsvirkjun will, as from the First and Second Permanent Delivery Dates, as further defined in Article 5 of this Agreement, make power available to the Subscriber on a firm basis ("Firm Capacity" and "Firm Energy") and on an interruptible basis ("Secondary Capacity" and "Secondary Energy") in the following capacities and annual amounts (and pro rata when applicable) of energy:

(a) From the First Permanent Delivery Date until the Second Permanent Delivery Date:

	Firm	Secondary	Total
Capacity:			
(Mean per hour)	58 MW	0 MW	58 MW
(Instantaneous value)	62 MW	0 MW	62 MW
Energy per annum:	500 GWh	0 GWh	500 GWh

(b) From the Second Permanent Delivery Date and thereafter:

	Firm	Secondary	Total
Capacity:			
(Mean per hour)	96 MW	11 MW	107 MW
Instantaneous value)	103 MW	12 MW	115 MW
Energy per annum:	837 GWh	93 GWh	930 GWh

Such power ("Contract Power") will be supplied from the interconnected power system of Landsvirkjun, on the terms and conditions provided in this Agreement and in the "General Conditions for Sales of High Voltage Power" of Landsvirkjun dated December 30, 1982, as may be modified and applied in a non-discriminatory manner to the Subscriber from time to time (the "General Conditions"). In the event of any divergence between this Agreement and the General Conditions as in effect, the provisions of this Agreement shall prevail.

(2) Subject to the other provisions of this Agreement, Contract Power shall be continuously available in the capacities stated, up to the stated amounts of energy, without specific limitations except as provided in the following paragraphs of this Article.

(3) Subject to the provisions prescribed hereafter in this Article, Landsvirkjun shall have the right at any time and from time to time to curtail or suspend entirely the availability of Secondary Capacity and/or Energy, provided that such curtailments and suspensions shall not reduce the overall availability of Secondary Energy during any calendar year below a level of supply corresponding to 50% of the annual amount of Secondary Energy specified above in Paragraph (1) of this Article 2, provided that the overall availability of Secondary Energy during any successive four-year period shall be

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not less than 223 GWh, and provided also that the overall availability of Secondary Energy during the Contract Period shall be not less than 1488 GWh (the several obligations referred to in the preceding sentence being separately and collectively called the "Guaranteed Supply").

(4) Landsvirkjun generally will not apply curtailments or suspensions of Secondary Capacity and/or Energy pursuant to Paragraph (3) of this Article 2 except in cases of (a) insufficient water availability at its power plants or (b) disturbances in its interconnected power system and events of Force Majeure. Subject to transmission limitations the reduction in supply of Secondary Capacity and/or Energy due to curtailments or suspensions shall not be more than the proportionate reduction in the supply of similar interruptible power to subscribers other than the Subscriber during periods of such curtailments or suspensions and shall within such periods be effected in a non-discriminatory manner. Landsvirkjun will give the Subscriber as much advance notice as practicable in each case of the probable occurrence of such curtailments and suspensions, and of their probable extent and duration. In cases under (a) above, the notice shall be given not less than one month in advance, while in cases under (b) above the notice will whenever possible be not less than one hour in advance. After final notice of suspension or curtailment has been given (which notice must be clearly stated to be a final notice), the Subscriber will reduce its load immediately, at which time the period of curtailment or suspension of Secondary Capacity and/or Energy shall commence. The period of curtailment or suspension shall end as soon as final notice is given to that effect. Final notices hereunder may be given orally, but shall then be confirmed in writing.

(5) Where there is a curtailment or suspension of Secondary Energy due to insufficient water availability at Landsvirkjun's power plants, either Party may request an arrangement whereby the Firm Energy which is scheduled to be delivered during the period may be delivered and used during the period in a manner which gives the Smelter optimum operational conditions. Such arrangement is subject to mutual agreement.

(6) If Landsvirkjun is forced to reduce its deliveries of power to its subscribers of firm power (including the Subscriber), by reason of disturbances in its interconnected power system due to any reason, including Force Majeure (which reduction may, subject to transmission limitations affecting the delivery of power to the Subscriber, only occur after Landsvirkjun has ceased delivery of secondary power to its subscribers (including the Subscriber) of secondary power), Landsvirkjun shall be entitled, after putting into operation all available resources, to reduce the delivery of power to the Subscriber below the stated values of Firm Capacity and Firm Energy, provided that the reduction below such values shall not be more than the proportionate reduction in the supply of firm power to subscribers other than the Subscriber which applies after power required for emergency needs has been deducted and such reduction shall be effected in a non-discriminatory manner. Where practicable, Landsvirkjun will give the Subscriber as much advance notice as possible of any reduction in Firm Energy and of its estimated extent and duration. The Subscriber shall cooperate by applying the necessary restrictions in load during any such period of reduced power. Whenever any such disturbances threaten to damage the Smelter, Landsvirkjun will use its best efforts to

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supply power to the Smelter in a capacity and for a period sufficient to allow the necessary steps to be taken to prevent such damage.

(7) It is understood that both Parties have an interest in the possibility of future expansion of the production capacity of the Smelter. In the event the Subscriber concludes that such an expansion may be desirable, the Parties will enter into negotiations in good faith for the additional power supply required.

Article 3 - Excess Power

(1) The Subscriber's consumption of power must not exceed the capacity and/or the annual amount of energy of Contract Power, except by prior permission of Landsvirkjun. Permission for such excess consumption ("Excess Power") may be granted by Landsvirkjun at its discretion. In the event of any excess consumption not so permitted, the provisions of Paragraph (3) of Article 19 hereof shall apply.

Article 4 - Firm Commitment

(1) The Subscriber undertakes, as from the First and Second Permanent Delivery Dates, to pay for the amount of energy per annum of Contract Power specified below, in the latter case as an average over any consecutive two-year period (the "Firm Commitment"), whether or not the Subscriber's actual consumption of energy in such period does reach the average annual amount thus applicable:

- (a) From the First Permanent Delivery Date until the Second Permanent Delivery Date 425 GWh
- (b) From the Second Permanent Delivery Date and thereafter 790 GWh

(2) The Subscriber's obligation pursuant to the Firm Commitment shall be subject only to the provisions of Paragraph (5) of Article 5 and Article 14 hereof. The obligation shall apply on a pro-rata basis for any relevant portion of a calendar year.

Article 5 - Start of Delivery

(1) The First Permanent Delivery Date for Contract Power shall be June 1, 1998, or such later date which the Subscriber may specify to Landsvirkjun by notice in writing not later than November 1, 1997, provided that such later date shall not be later than October 1, 1998. The Second Permanent Delivery Date shall be January 1, 1999.

(2) Landsvirkjun will use its best efforts to assist the Subscriber in obtaining a contract with the relevant public utility for the provision of power to the Smelter site during the period of construction of the Smelter as necessary for the purposes of such construction ("Construction Power") including, but not limited to, making power available to the public utility with a discount on Landsvirkjun's demand charge provided that such discount is passed on to the Subscriber by the public utility.

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(3) Landsvirkjun shall make available to the Subscriber power for start-up of the Smelter two months in advance of the First and Second Permanent Delivery Dates. The advance delivery in each case shall be effected progressively according to a start-up program as further agreed between the Parties.

(4) The Subscriber shall construct the Smelter under a construction program scheduled to have the Smelter ready to receive power for electrolysis of alumina into aluminium on a continuing basis on or before the First Permanent Delivery Date. The Subscriber will keep Landsvirkjun closely informed on the progress of construction of the Smelter. Failure by the Subscriber to have the Smelter ready to receive power for electrolysis of alumina into aluminium on a continuing basis on or before the First Permanent Delivery Date shall not constitute a default under this Agreement provided that the Subscriber complies with any payment obligations which it may have under this Agreement in respect of the Firm Commitment. Landsvirkjun shall be entitled to terminate this Agreement if the Smelter is not ready to receive power by the date falling 12 months after the Second Permanent Delivery Date except where such delay results from Force Majeure affecting construction work in accordance with Paragraph (5) of this Article 5. Landsvirkjun similarly will keep the Subscriber closely informed as to the construction of any facilities pertinent to the initial delivery of Contract Power to the Smelter.

(5) In the event that at any time within one year preceding the First Permanent Delivery Date (as determined in accordance with Paragraph (1) of this Article 5), construction work (including engineering and equipment deliveries) on the Smelter or on the facilities of Landsvirkjun and/or of Hitaveita Reykjavíkur at Nesjavellir necessary to the delivery of Contract Power to the Smelter, shall suffer delays due to Force Majeure (as defined in Paragraph (1) of Article 20 hereof) affecting the Subscriber or Landsvirkjun or any party providing construction work (including engineering and equipment deliveries) to either of them, and the Subscriber or Landsvirkjun, as the case may be, cannot in its best estimate overcome such delays by taking all reasonable measures, then the Party concerned shall promptly give notice to the other Party of such Force Majeure in accordance with Paragraph (4) of Article 20 and, if it is the Subscriber, may as applicable reduce (if applicable to zero) its obligation to pay under the Firm Commitment or, as the case may be, if it is Landsvirkjun, may curtail the availability of Contract Power in accordance with Paragraph (6) below, in each case for a period to be specified by notice in writing to the other Party. However, the period of any such reduction/curtailment may not exceed the lesser of twelve months and the actual period of delay caused by such Force Majeure. If the period of delay due to Force Majeure exceeds twelve months, then the Parties shall be required to perform their obligations in accordance with the terms of this Agreement with effect from the end of the twelve month period, notwithstanding the continuing Force Majeure event. Any such demand for reduction/curtailment shall be presented as promptly as practicable and in any event not more than thirty days after the cessation of the period of delay caused by the Force Majeure giving rise to such reduction/curtailment. The other Party may challenge any request for reduction/curtailment, the duration of any asserted period of delay, or the use of measures to overcome such delay, but any such challenge shall be asserted not later than sixty days after notice was given by the demanding Party.

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Any such challenge, if not amicably settled, may be submitted to adjudication or arbitration pursuant to Article 23, the latter at the request of either Party. The Court or arbitration tribunal shall be empowered to make such disposition of the issues involved in such challenge as may be appropriate.

(6) Landsvirkjun shall have the right up until the last date of the period of curtailment pursuant to Paragraph (5) of this Article 5 to curtail or suspend entirely the availability of Contract Power in order to serve the existing power delivery obligations in any of its customer contracts signed prior to the date of this Agreement ("Existing Contracts"), provided that before curtailing or suspending Contract Power Landsvirkjun must first:

- (i) make available to the Subscriber, and if so required by the Subscriber, deliver to the Subscriber to the fullest extent consistent with its obligations under the Existing Contracts power from its interconnected power system;
- (ii) make available to the Subscriber power generated with available thermal generators up to a total cost of generation of United States Dollars 2,500,000 equivalent, provided that such thermal capacity is not required by Landsvirkjun to fulfill obligations under the Existing Contracts.

Article 6 - Point of Delivery

(1) Contract Power shall be transmitted to the Switchyard on two 220 kV transmission lines. The incoming lines to the Switchyard shall be installed by Landsvirkjun at its cost by no later than sixty days prior to the First Permanent Delivery Date. The Switchyard shall be installed by the Subscriber at its cost. The point of delivery shall be at the 220 kV line ends at the terminal strain insulators to the Switchyard ("Point of Delivery").

(2) Landsvirkjun shall install 220 kV power circuit breakers on the transmission lines to the Switchyard. The Subscriber shall install circuit breakers on the two 220 kV transmission lines at the Switchyard.

Article 7 - Current, Voltage, Power Factor and Phase Balance

(1) Contract Power is to be supplied as a three phase alternating current at approximately 50 cycles per second and shall be at a nominal voltage of 220 kV. Voltage variation shall not exceed plus five per cent (5%) or minus nine per cent (9%) under normal operating conditions. The Subscriber will install suitable taps on its transformers.

(2) The average power factor ($\cos.\phi$ = the ratio between MW-hours and MVA-hours) of Contract Power supplied each calendar month calculated from measurements made at the Switchyard shall not be less than 0.97. Should the average power factor fall below this value, the power price applicable in respect of such calendar month shall be increased by one per cent (1%) for each percentage point or major fraction thereof by which the average power factor during the calendar month is less than said minimum.

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The Subscriber may transmit reactive power into or extract reactive power from Landsvirkjun's power transmission system corresponding to the average power factor per hour ranging from 1.0-0.9. In the event of unsatisfactory control by the Subscriber in said respects, the provisions of Paragraph (2) of Article 19 shall apply.

(3) The Subscriber shall balance its consumption as equally as possible on all three phases. The Subscriber further shall install within reasonable cost satisfactory equipment for minimizing any frequency and voltage variations arising from load changes. In the event of unsatisfactory control by the Subscriber in said respects, the provisions of Paragraph (2) of Article 19 shall apply.

(4) The harmonic distortion of the current of the 220 kV busbars in the Switchyard shall not exceed a level at which the proportion between the distortion current of each phase and the reference current is greater than five percent. The proportion of the root mean square (r.m.s.) of each harmonic and the reference current shall be less than four percent (4%). The distortion phase current and the harmonic component of the phase current are one-minute mean values.

PART III - METERING

Article 8 - Metering of Power Supplied

(1) Contract Power supplied to the Subscriber shall be measured at the Point of Delivery where the Subscriber shall install and maintain meter-transformers. Landsvirkjun shall install and maintain recording kWh meters with hourly recording periods and recording MW-MVAr meters. The meter-transformers used shall have an accuracy rating of two-tenths of one per cent (0,2%). Both meters and transformers shall be subject to approval by both Parties. When put into service, or at another time as agreed upon by the Parties, the meters shall be adjusted with regard to the curve of error for each meter-transformer so as to make the values given by the measuring system as a whole as accurate as practically possible.

(2) The Subscriber shall at his own cost, but within the capacity of the meter-transformers, install check meters at the Point of Delivery.

(3) Readings of the meters of Landsvirkjun and any check meters installed by the Subscriber shall be taken simultaneously by representatives of both Parties on or as near as is reasonably convenient to the last day of each calendar month and at approximately the same hour, at a time to be specified by Landsvirkjun. The amount registered on the meters of Landsvirkjun shall be used for billing purposes, subject only to the provisions of Article 10 hereof.

Article 9 - Tests of Metering Equipment

(1) The meters of Landsvirkjun and any check meters installed by the Subscriber shall be tested by or on behalf of Landsvirkjun in the presence of a representative from

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the Subscriber every second year. Either Party may otherwise at any time have such meters tested, or demand that they be tested, in the presence of representatives from both Parties. If agreement cannot be reached as to the result of the test made, the meters are to be tested by a party mutually agreed upon by the Parties.

(2) If any test reveals a deviation in the meters, the meters shall be adjusted so that they again will give values as accurate as practically possible. If after one separate test or after several aggregate tests any meter has to be adjusted by more than two per cent (2%), or if by any other means it is found that any meter does not operate satisfactorily, the owner shall be obligated to have such meter or meters recalibrated or replaced.

(3) The cost of such regular tests as stipulated herein is to be borne by the Party owning the metering equipment. The cost of tests made upon demand of either Party is to be borne by the Party whose metering instruments are adjusted as a result of the test, and if no adjustment is made, by the Party requesting the test.

Article 10 - Adjustments for Inaccurate Metering

(1) The result of the meter control provided for in Paragraph (2) of Article 9 hereof shall apply from the first day of the month in which a test is carried out and until the first day of the month in which a new test is again carried out. In the event of an error greater than two per cent (2%), a correction shall be made adjusted back to the time at which the error arose, if such time can be ascertained, and otherwise to the earliest date as of which it can be ascertained that the error existed. Any resulting adjustment in power charges shall be made in the next annual statement rendered by Landsvirkjun to the Subscriber as provided in Article 13 hereof.

(2) If any of the meters of Landsvirkjun fails to register, the Subscriber's check meters shall be used as the basis for billing, subject to test at the request of Landsvirkjun. If the meters of both parties fail to register, billing shall be based upon the best information available.

(3) If one of the Parties discovers errors in the metering of power, he shall be obligated to notify the other Party without delay.

PART IV - CHARGES AND CONDITIONS OF PAYMENT

Article 11 - Contract Price

(1) The Subscriber shall pay for all power delivered to the Smelter for start-up of the Smelter and for all Contract Power delivered to the Smelter, or becoming subject to payment pursuant to the provisions of Article 4 of this Agreement, at the rates (the "Contract Price") and in the manner hereinafter provided:

(a) The Contract Price applicable for each calendar month shall be calculated at the beginning of the next calendar month.

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- (b) The Contract Price shall be calculated pursuant to the following formula:

$$CP = \frac{LME3M \times p}{14.2}$$

where:

CP = the Contract Price, expressed in United States mills per kWh

LME3M = For the preceding calendar month, the average, expressed in United States dollars per metric ton (1 metric ton = 2204.62 pounds), of the daily averaged postings at the London Metal Exchange for primary aluminium, minimum purity 99.7 percent, three months delivery, as published by the Metal Bulletin;

p =

- (i) From the date of start - up of the Smelter to the date when 2785 GWh of Contract Power have become payable or until October 31, 2001, whichever date comes first = 12%,

provided however that whenever during this period LME3M exceeds USD 1850 (one thousand eight hundred and fifty United States dollars) p shall increase linearly by .02% for every United States dollar that LME3M exceeds USD 1850 (one thousand eight hundred and fifty United States dollars) until LME3M reaches USD 2050 (two thousand and fifty United States dollars) and p is 16%; and

- (ii) For the next two years following the end of the period specified in subparagraph (i) above = 16%,

provided however that whenever during this period LME3M is lower than USD 1450 (one thousand four hundred and fifty United States dollars) p shall decrease linearly by .02% for every United States dollar that LME3M is lower than USD 1450 (one thousand four hundred and fifty United States dollars) until LME3M reaches USD 1250 (one thousand two hundred and fifty United States dollars) and p is 12%; and

- (iii) For the next five years following the end of the period specified in subparagraph (ii) above = 16%,

provided however that whenever during this period LME3M is lower than USD 1450 (one thousand four hundred and fifty United States dollars) p shall decrease linearly by .02% for every United States dollar that LME3M is lower than USD 1450 (one thousand four hundred and fifty United States dollars) until LME3M reaches USD 1250 (one thousand two hundred and fifty

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United States dollars) (the "Lower Limit") and p is 12%, and provided further that if during the periods specified in subparagraphs (i) and (ii) above and in this subparagraph (iii) p has for any calendar month been lower than 16%, then whenever LME3M exceeds USD 1850 (one thousand eight hundred and fifty United States dollars) during this period, p shall, to the extent necessary to settle the difference between actual payments for Contract Power for the month in question and the amount that would have been payable if p were 16% plus interest as further specified hereinbelow (such difference and interest thereon hereinafter referred to as the "Accumulated Amount"), increase linearly by .02% for every United States dollar that LME3M exceeds USD 1850 (one thousand eight hundred and fifty United States dollars) until LME3M reaches USD 1950 (one thousand nine hundred and fifty United States dollars) (the "Upper Limit") and p is 18%. The Accumulated Amount shall from the due date of payments for Contract Power consumed by the Subscriber during the month in question until the date of payment of the Accumulated Amount bear interest at the 6 month LIBOR rate plus 75 basis points, adjusted semi-annually, and compounded semi-annually with a maximum rate at 9% per annum. The reference amounts for LME3M of USD 1450 and USD 1850 specified above shall be adjusted, for the first time on November 1, 2004, and annually thereafter in accordance with proportional changes in the US Bureau of Labor Statistics Producer Price Index - Finished Goods, ("PPI") from the base PPI which shall be the average of the monthly PPI for the twelve months preceding November 1, 2003. Any adjustment to the USD 1850 reference amount shall be accompanied by an identical USD adjustment to the Upper Limit, so that the difference in these two amounts shall not exceed USD 100 and p shall not be greater than 18% at any time. Similarly, any adjustment to the USD 1450 reference amount shall be accompanied by an identical USD adjustment to the Lower Limit so that the difference between the two amounts shall not exceed USD 200 and p shall not be less than 12% at any time.

- (iv) From the end of the period specified in subparagraph (iii) above to the expiration of the term of this Agreement = 16%, provided however that as long as any part of the Accumulated Amount accumulated during the periods specified in subparagraphs (i) - (iii) above remains unpaid, whenever LME3M exceeds USD 1850 (one thousand eight hundred and fifty United States dollars) during this period, p shall increase linearly by .02% for every United States dollar that LME3M exceeds USD 1850 (one thousand eight hundred and fifty United States dollars) until LME3M reaches USD 1950 (one thousand nine hundred and

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fifty United States dollar) (the "Upper Limit") and p is 18%. The reference amount for LME3M of USD 1850 specified above and as adjusted pursuant to subparagraph (iii) above shall be adjusted, for the first time on November 1, 2008, and annually thereafter by 60% of the proportional changes in the PPI during each succeeding annual period. Any adjustment to the USD 1850 reference amount shall be accompanied by an identical USD adjustment to the Upper Limit.

If an event of Force Majeure under Paragraph (5) of Article 5 or Article 20 hereof occurs during any of the periods specified in subparagraphs (i) to (iv) above, then the duration of the relevant time period for the calculation of " p " shall be extended by the same number of days as the duration of the Force Majeure event.

(c) The Subscriber may at any time prepay the Accumulated Amount and accrued but unpaid interest.

(d) In the event that any of the information needed to ascertain LME3M as defined in subparagraph (b) of Paragraph (1) of this Article 11 is, for reasons beyond the control of either Party, unavailable for any given calendar month, then the LME3M for the preceding calendar month will be used in calculating the Contract Price. Upon such availability, the Contract Price will be recalculated based on such newly available information, and the resulting difference, if any, between the Contract Price as originally calculated and the Contract Price as recalculated will, without interest, be paid by the Subscriber or refunded by Landsvirkjun, as the case may be, at the first time thereafter that Landsvirkjun submits a statement to the Subscriber pursuant to Article 12 of this Agreement.

(e) In the event that any of the information needed to ascertain LME3M as defined in subparagraph (b) of Paragraph (1) of this Article 11 is, for reasons beyond the control of either Party unavailable, then Landsvirkjun and the Subscriber shall seek to agree on the method for calculating the Contract Price of comparable information in lieu of the information that has become unavailable. If they so agree, such information shall be so used, and if they are unable to so agree, the matter may be referred by either Party to arbitration in accordance with Paragraph (3) of Article 23 of this Agreement. Until the matter is resolved by agreement or arbitration, and subject to the terms of such resolution, the provisions of subparagraph (d) of this Paragraph (1) of this Article 11 shall continue to apply.

(2) The price to be paid by the Subscriber to Landsvirkjun pursuant to billing from time to time as hereinafter provided shall be calculated by multiplying the billable kilowatt-hours by the Contract Price.

(3) In the event Landsvirkjun has excess power available which can be used by the Subscriber, the two Parties may agree on prices and other conditions for its use, cf Article 3 hereof.

Article 12 - Monthly Statements and Payments

- (1) Payments for Contract Power shall be made monthly by the Subscriber on the basis of his metered consumption thereof during the preceding calendar month. In the event that such metered consumption during any such month is less than one-twelfth (1/12th) of the applicable Firm Commitment for that calendar year, the monthly payment shall not be less than for one-twelfth (1/12th) of such Firm Commitment; provided, however, that the Subscriber shall pay only for the amount of energy metered during any such month if the aggregate amount of monthly payments already paid or payable during the calendar year is at least equal to the pro-rata aggregate amount of the applicable Firm Commitment, with adjustments as warranted by the provisions of Article 14.
- (2) Within ten days from the end of each calendar month or at the earliest thereafter Landsvirkjun shall deliver to the Subscriber a statement showing the amount payable for power in such month and payment shall be made by the Subscriber within fifteen days of receipt of such statement.
- (3) The Subscriber shall pay for Contract Power in United States Dollars. The payment shall be made into such bank account as specified by Landsvirkjun from time to time.
- (4) Excess Power as discussed in Article 11 shall be billed to and paid by the Subscriber as agreed upon between the Parties from time to time.

Article 13 - Annual Adjustment of Payments

- (1) During the month of January of each calendar year following the First Permanent Delivery Date, Landsvirkjun shall deliver to the Subscriber an annual statement for the preceding calendar year showing:
 - (a) The total metered consumption of Contract Power by the Subscriber in the year, together with any corrections made for inaccurate metering as provided in Article 10 hereof, multiplied by the applicable Contract Price.
 - (b) The Firm Commitment applicable in the year, less any reductions provided for pursuant to Article 14 hereof, multiplied by the applicable Contract Price.
 - (c) Any adjustment due for any variation in the average power factor below the minimum specified in Article 7 hereof.
- (2) The annual statement shall specify the aggregate amount due to Landsvirkjun in the preceding calendar year, which amount shall be the larger of the amounts calculated according to subsections (a) and (b) of Paragraph (1) of this Article plus any amount due under subsection (c) of Paragraph (1) of this Article. Such aggregate amount shall be

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compared with the total of payments for Contract Power shown by monthly statements for the calendar year. Net amounts due to Landsvirkjun shall be paid by the Subscriber within thirty days of receipt of the above annual statement. Net amounts owed by Landsvirkjun shall be credited against the liability of the Subscriber on the next monthly bill or bills rendered by Landsvirkjun.

Article 14 - Reduction in Firm Commitment

(1) For every interruption or restriction in the supply or consumption of Contract Power due to Force Majeure (including any curtailment of Contract Power by Landsvirkjun pursuant to Paragraph (5) of Article 5 hereof) or covered by the provisions of Articles 2, 17 or 18 or due to a failure by Landsvirkjun to perform its obligations hereunder which lasts for more than two hours, the Subscriber's obligation pursuant to the Firm Commitment will be reduced in the same proportion as the Contract Power not made available by reason of such interruption or restriction bears to the aggregate annual amount of energy specified in Paragraph 1 of Article 2 hereof. If such interruption or restriction in the supply of Contract Power causes a reduction in the number of functioning operating cells in the Smelter, the Firm Commitment shall be further reduced by a methodology to be agreed between the Parties which takes into account the time taken by reasonable prudent operator to restart such cells.

Article 15 - Termination

(1) If the Subscriber fails to pay the charges due upon any statement, Landsvirkjun may discontinue the supply of Contract Power upon an advance written notice of two months, without thereby forfeiting its title to the charges due or otherwise impairing its rights hereunder. After a further four months' written notice, Landsvirkjun may terminate this Agreement without thereby forfeiting title to the charges due.

(2) If Landsvirkjun in breach of its obligations under this Agreement (a) fails to deliver at least 60% of the pro rata annual amount of Firm Energy specified in Paragraph (1) of Article 2 over any four months period, or (b) fails to deliver as an annual average over any consecutive two year period commencing on or after the Second Permanent Delivery Date at least 90% of the annual amount of Firm Energy specified in Paragraph (1) of Article 2, the Subscriber may upon a four months' written notice terminate this Agreement without prejudice to any accrued rights it may have hereunder.

PART V - GENERAL

Article 16 - Subscriber's Right of Use

(1) The Subscriber may not except by permission of Landsvirkjun purchase power from other suppliers and may not develop his own generating facilities for the purposes of the initial 60.000 tons Smelter without permission from Landsvirkjun.

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(2) The power made available under this Agreement shall be for the use only of the Subscriber for purposes of the operation of the Smelter or his obligations according to law and shall not be resold or otherwise disposed of, directly or indirectly, for any other purpose except by permission of Landsvirkjun.

(3) Notwithstanding the provisions of Paragraph (1) of this Article 16, the Subscriber shall be entitled to make reasonable arrangements for reserve power in order to meet emergencies at the Smelter.

Article 17 - Repairs and Maintenance

(1) The Contract Power to be supplied hereunder is to be held at the Subscriber's disposal at all times. Landsvirkjun may nevertheless suspend or restrict the supply of such power when necessary in order to effect annual overhauls or to make expansions, repairs or inspections which cannot be carried out while the installation concerned is in operation. Such suspension or restriction of operations shall take place only after consultation with the Subscriber, and Landsvirkjun shall endeavour to carry them out in such a manner as to enable the Subscriber to protect himself against loss as far as possible. Landsvirkjun will use its best efforts to limit each such suspension or restriction of power supply to a maximum of two hours in any twenty four hour period. Landsvirkjun shall be obligated to complete such work as quickly as possible.

Article 18 - Emergencies

(1) The Subscriber shall temporarily release power made available to him at the request of Landsvirkjun to meet emergency public needs, provided, however, that the release of such power shall not materially affect the Subscriber's operation and not damage his equipment.

Article 19 - Liability

(1) Landsvirkjun and the Subscriber shall each be obligated to construct, maintain and operate their respective facilities to the standards of a reasonable and prudent operator and to correct without delay all faults and defects which are or may become a risk to the other Party.

(2) If a fault or defect occurs in the Smelter which may involve a material risk to the prudent operation of Landsvirkjun's facilities or for Landsvirkjun's deliveries to other consumers, Landsvirkjun shall be entitled to suspend the supply of power to the Smelter until such fault or defect has been remedied. Whenever possible a prior warning should be given.

(3) The Subscriber shall exercise all proper precautions and install all equipment necessary to limit his total power requirements to the capacity and quantity of Contract Power. Landsvirkjun shall be entitled to suspend supply if the Subscriber without the consent of Landsvirkjun exceeds the capacity or the quantity of Contract Power and

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does not cease to do so when requested. The Subscriber must verify that the necessary reduction will be made before Landsvirkjun shall be obligated to resume supply.

(4) Landsvirkjun agrees that before exercising any other right which it may have under the General Conditions to curtail or suspend the supply of power to the Smelter by reason of the non performance or non observance by the Subscriber of any obligation under this Agreement, Landsvirkjun shall, wherever possible, give the Subscriber advance warning of the proposed suspension or curtailment and allow the Subscriber a reasonable time to remedy the default before suspending or curtailing the power supply.

(5) No rebates on payments will be allowed for a suspension of operations due to Landsvirkjun's exercise of its rights under Paragraphs (2), (3) or (4) of this Article.

(6) In the event of the nonperformance or nonobservance of any obligation by Landsvirkjun or the Subscriber, the nondefaulting Party shall be entitled to damages or an order for specific performance (subject to Force Majeure and any exemption from or limitation of liability in this Agreement).

(7) Notwithstanding Paragraph (6) of this Article Landsvirkjun and the Subscriber reciprocally exempt each other from any liability for damage due to faults in the operation of their respective facilities which are not caused with intent or gross negligence.

(8) Without prejudice to the express provisions of this Agreement, neither Party nor any subcontractor (at any level) of either Party shall in any event be liable to the other Party for any loss of use, loss of profit or any indirect, consequential or special loss except to the extent such loss is caused by any intentional contractual breach of the relevant Party or any subcontractor (at any level) of such Party.

Article 20 - Force Majeure

(1) For the purposes of this Agreement, "Force Majeure" is hereby defined to mean hostilities (whether or not a state of war is declared), warlike operations, military occupation, revolution, insurrection, civil war, riot, rebellion, civil commotion, mob violence, acts of piracy, acts of sabotage, radioactivity, plague, explosion, fire, earthquake, volcanic eruption, windstorm, tidal wave, flood, severe icing conditions, drought, lightning, quarantine, embargo, general suspension of transportation or navigation, or any similar event which may not reasonably be prevented or controlled by the affected Party, and for said purposes Force Majeure shall also include general strikes, local strikes, boycotts, lock-outs or similar labour disturbances in Iceland which the Party affected could not, by taking all reasonable measures available to it, have prevented or controlled, but only for such period as such Party shall remain unable to effect a termination thereof by taking all reasonable measures available to it.

(2) No failure or omission by the Parties to perform any of their obligations pursuant to this Agreement shall be considered a default in the performance of such obligations if and insofar as any such failure or omission is caused by Force Majeure.

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(3) The Party alleging the existence of Force Majeure for the purposes of this Article shall have the burden of establishing the existence of such Force Majeure. A failure or omission shall for the purposes of this Article be considered to have been caused by Force Majeure only if the Party so failing or omitting to perform can establish (a) that the failure or omission is the direct result of Force Majeure as defined in Paragraph (1) above, and (b) that it has exercised due care and has taken all reasonable alternative measures to avoid such failure or omission.

(4) Each Party shall promptly give notice to the other Party of Force Majeure causing any failure or omission in the performance of its own obligations under this Agreement. Such Party also shall make all reasonable efforts to mitigate the effect of its failure or omission to perform in full. The Party claiming Force Majeure shall give notice to the other Party of the cessation of the relevant event of Force Majeure and shall take all reasonable steps within its power to resume with the least possible delay the performance of its obligations under this Agreement.

(5) The term of this Agreement shall be extended by a period of time equal to the duration of the event of Force Majeure.

(6) In the event that any event of Force Majeure continues for a period in excess of 365 consecutive days (or such longer period as the Parties may agree) which has the effect of reducing the supply or consumption of Contract Power by more than 50% for such period, then except in the circumstances described in Paragraph (5) of Article 5 hereof the Party which has not claimed Force Majeure shall have the right to terminate this Agreement upon a 30 days' written notice to the other Party.

Article 21 - Contract Period

1) This Agreement shall become effective on the date by which financing of the construction and completion of the Smelter (including guarantees for completion of the Smelter) has been secured to the satisfaction of the Subscriber and Landsvirkjun, provided, however, that if this Agreement has not become effective by August 15, 1997, or such other date as mutually agreed, then this Agreement shall not enter into effect unless Landsvirkjun and the Subscriber mutually agree in writing.

(2) The effective date of this Agreement determined as provided in Paragraph (1) of this Article shall be set forth in writing by an exchange of letters between the Subscriber and Landsvirkjun.

(3) Upon the effective date of this Agreement pursuant to Paragraphs (1) and (2) of this Article, subject to the provisions of Article 15 and of Paragraph (5) of Article 20, this Agreement shall remain in force until October 31, 2018 (the "Contract Period"), and shall then expire without notice. However, within 17 years after the First Permanent Delivery Date, the Parties shall have concluded discussions regarding an extension of this Agreement for a period of not less than 10 years following its above date of expiration, on mutually agreeable terms.

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Article 22 - Review

(1) In entering into this Agreement the Parties recognize that it is impractical to make provisions for every contingency which may arise during the course of this Agreement. The Parties declare it to be their intention that this Agreement shall be operated between them with fairness and without detriment to the interests of either of them, taking into account the allocation of benefits and risks ensuing from it. Should however the occurrence of events including but not limited to, fundamental changes in the aluminium industry, beyond the control of the Parties, not contemplated and not reasonably foreseeable by the Parties, fundamentally alter the equilibrium of this Agreement, thereby causing unfairness in the allocation of benefits and risks between the Parties, the Parties will meet and in good faith negotiate and use their best endeavors to agree upon an amendment to this Agreement to remove the cause or causes of such unfairness. In the event that the Parties are unable to agree as to the existence of such unfairness or as to the causes or effects thereof, such dispute may be referred by either Party to arbitration as provided in Paragraph (3) of Article 23. The Parties shall attempt in good faith to reach agreement in the light of the findings of the tribunal. In the event that they are unable to agree on such an amendment, either of them may refer the dispute to arbitration as provided in Paragraph (3) of Article 23.

(2) Notwithstanding the foregoing, neither Party may invoke the provisions of Paragraph (1) of this Article 22 prior to July 1, 2008 or more than once during the term of this Agreement. Any amendments to this Agreement implemented by arbitration under this Article 22 shall not take into account the economic effects on the Party concerned occurring prior to July 1, 2008.

(3) The provisions of this Article 22 have been negotiated and agreed in full knowledge by both Parties of the provisions of Article 36 of Act No. 7 of 1936 on Contracts, as amended by Act No. 11 of 1986. The provisions of this Article 22 shall be in substitution of the provisions of Article 36 of said Act.

Article 23 - Governing Law and Disputes

(1) This Agreement shall be governed by and construed in accordance with the law of the Republic of Iceland.

(2) Any dispute, claim or difference arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination ("Dispute"), shall be subject to the exclusive jurisdiction of the Icelandic courts unless either Party prefers to submit it to arbitration pursuant to Paragraph (3) below and gives notice in writing to that effect to the other Party. If a Party commences court proceedings ("the Claimant Party") in respect of a Dispute and the other Party ("the Respondent Party") prefers to submit the Dispute to arbitration, the Respondent Party must give notice to this effect to the Claimant Party in writing within 30 days of receiving the Summons. Immediately after receiving such notice, the Claimant Party will discontinue the court proceedings and the Dispute will be resolved by arbitration.

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(3) Notwithstanding the provisions of Paragraph (2) above, any Dispute may, at the instigation of either Party, be referred to and finally resolved in accordance with the arbitration rules of the Arbitration Institute of the Stockholm Chamber of Commerce as in force at the date of this Agreement, which rules are, subject to the provisions of this Paragraph (3) deemed to be incorporated by reference into this Paragraph (3). The Arbitration Tribunal shall consist of three arbitrators, one of whom shall be appointed by the Claimant Party, another by the Respondent party and the third, who shall act as Chairman, jointly by the two party appointed arbitrators. If the Claimant Party and/or the Respondent Party do not appoint their arbitrator in their Request and Reply respectively, the other Party to the arbitration shall have the right to apply to the Arbitration Institute of the Stockholm Chamber of Commerce for it to appoint the relevant arbitrator. If the two party appointed arbitrators cannot agree upon the appointment of the third arbitrator, he shall be appointed by the Arbitration Institute of the Stockholm Chamber of Commerce at the request of either Party. The third arbitrator however appointed shall not be of the same nationality as that of the Parties to this Agreement, nor as that of Columbia Ventures Corporation, nor as that of any subsequent shareholder in the Subscriber unless the Parties otherwise agree. The arbitrators shall meet the qualifications set out in Article 6 of Act. No. 53/1989 on Contractual Arbitration. The arbitration proceedings shall be held in Reykjavík and shall be conducted in English.

(4) In the event that an arbitrator, originally appointed by either the Claimant Party or Respondent Party, dies, or is or becomes unable to act, a replacement arbitrator shall be appointed by the original appointing Party. If the original appointing Party does not appoint a replacement arbitrator within a reasonable time, the other Party to the arbitration shall have the right to apply to the Arbitration Institute of the Stockholm Chamber of Commerce for it to appoint the replacement arbitrator. In the event that the third arbitrator dies or is or becomes unable to act, a replacement arbitrator shall, in the absence of agreement by the two party appointed arbitrators, be appointed by the Arbitration Institute of the Stockholm Chamber of Commerce.

(5) The Parties hereby undertake, in relation to arbitration proceedings commenced under Paragraph (3) of this Article to carry out any award of the Tribunal without delay and to waive their right to any form of appeal on any question of fact or law insofar as such waiver may be validly made. The Parties agree that awards issued in respect of an arbitration commenced under Paragraph (3) of this Article are final and binding on the Parties as from the date they are made provided always that any award of the Tribunal may if necessary be enforced by any court or other competent authority. The Parties shall continue to perform their obligations under this Agreement notwithstanding any Dispute which may be outstanding between them.

(6) Each of the Parties consents generally to the giving of any relief or the issue of any process in connection with proceedings against it. Each of the Parties hereby irrevocably waives, to the fullest extent permitted by the law of any jurisdiction in which proceedings may be taken or any judgment or arbitral award enforced with

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respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

- (i) service of process or other documents relating to proceedings and any immunity from jurisdiction, suit or judgment;
- (ii) jurisdiction of any Courts in which enforcement is sought;
- (iii) relief by way of injunction, order for specific performance or for recovery of property;
- (iv) attachment of its assets; and
- (v) execution or enforcement of any judgment or arbitral award to which it or its revenues or assets might otherwise be subjected.

Each Party hereby irrevocably agrees, to the fullest extent it may effectively do so, that it will not claim any such immunity.

Article 24 - Share Capital of the Subscriber

- (1) The aggregate amount of the share capital, which shall include subordinated debt, of the Subscriber on the First Permanent Delivery Date shall be 30% or more of the estimated construction cost of the Smelter.
- (2) The share capital of the Subscriber may be reduced at any time pursuant to the Act. No. 2/1995 on Limited Companies, provided that the share capital of the Subscriber shall not be reduced to an extent that the share capital and the reserves of the Subscriber are below one fourth of its total Debt for Borrowed Money. Debt for Borrowed Money shall be deemed to include all liabilities for the principal amounts of borrowed money, including liabilities under capitalized leases, but excluding subordinated loans, and excluding the current position of long term debt, defined as any amount due within one year or less. When the aggregate principal amount of Debt for Borrowed Money required to be taken into account for the purpose of this Article 24 on any particular date is being ascertained, any of such moneys denominated or repayable in a currency other than Icelandic Kronur shall be converted for the purpose of calculating the Icelandic Kronur equivalent at the rate of exchange published by the Central Bank of Iceland on the date the commitment for such borrowings was made. A certificate by the auditors of the Subscriber as to the amount of the share capital of the Subscriber and of Debt for Borrowed Money as defined herein at year's end shall be prepared annually and submitted to Landsvirkjun before April 1 of the following year and shall be conclusive evidence of such amount for the purposes of this Article.

Article 25 - Amendments

- (1) Amendments to this Agreement shall be made only by supplemental agreement duly entered into in writing between Landsvirkjun and the Subscriber.

Article 26 - Assignment

(1) The rights and obligations under this Agreement shall not be assigned or delegated by either Party without the consent of the other Party, and any purported assignment or delegation without such consent shall be void and of no effect.

(2) Notwithstanding the provisions of Paragraph (1) of this Article 26, the rights and obligations under this Agreement may be assigned by the Subscriber, without Landsvirkjun's consent, to financial institutions as security for any financing relating to the Project. Subject to a direct agreement being entered into between Landsvirkjun and the respective financial institutions, upon enforcement of the security, Landsvirkjun shall consent to the transfer of the Subscriber's rights and obligations under this Agreement to any person who acquires the Subscriber's interest in the Smelter.

Article 27 - Notices

(1) Any notice required or permitted to be given hereunder shall be in writing or by telex or cable to be confirmed in writing and shall be valid and sufficient if dispatched by registered air mail, postage prepaid or by telefax to be confirmed by such registered mail, addressed as follows:

If to Landsvirkjun:

Landsvirkjun
Haaleitisbraut 68
103 Reykjavik
Iceland
Attn: Managing Director
Facsimile: +354-515 9007
Telex: 2054 landsv is

If to the Subscriber:

or to such other address as the relevant Party may notify to the other Party in accordance with the above.

(2) Notices required or permitted under this Agreement may be waived, in writing, by the Party entitled to receive the same either before or after the date on which notice is required or permitted to be given.

(3) Notices given as herein provided shall be considered to have been given ten (10) calendar days after the mailing thereof or two business days after dispatch if sent by

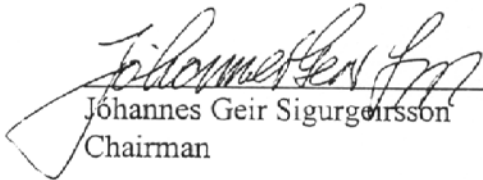
cable, telex or telefax, provided that in the case of cable, telex or telefax the confirmation by registered mail is actually received thereafter.

Article 28 - Official Languages

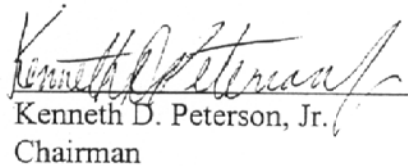
(1) The official languages of this Agreement shall be Icelandic and English, each of which shall be equally authentic. In case of any inconsistency or conflict between the Icelandic and English texts account shall be taken of the fact that this Agreement was negotiated in the English language.

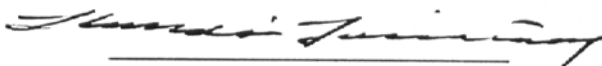
IN WITNESS WHEREOF, this Agreement has been signed on behalf of Landsvirkjun and the Subscriber as of the date first above written.


LANDSVIRKJUN


Johannes Geir Sigurgeirsson
Chairman

NORÐURÁL HF.


Kenneth D. Peterson, Jr.
Chairman


Halldór Jónatansson
Managing Director


James F. Hensel
Director

FIRST ADMENDMENT TO THE POWER CONTRACT

between

LANDSVIRKJUN

and

NORÐURÁL HF.

AGREEMENT made as of the 29th day of October 1999

between

LANDSVIRKJUN (The National Power Company), an independent company which is owned by the Republic of Iceland, the City of Reykjavík and the Township of Akureyri and is organized and operated pursuant to Act of the Althing No. 42, March 23, 1983, and whose principal office is located in the City of Reykjavík, Iceland,

and

NORÐURÁL HF. (hereinafter referred to as "Norðurál" or the "Subscriber"), an Icelandic limited liability corporation, having its principal location at Grundartangi, Iceland, which has been organized in accordance with the Act of the Althing No. 62, May 27, 1997 (the "Enabling Act"), the Act of the Althing No. 2, January 30, 1995 on Limited Liability Companies and the Investment Agreement between the Government of Iceland and Columbia Ventures Corporation of 1220 Main Street, Suite 200, Vancouver, Washington 98660, United States of America and Norðurál dated August 7, 1997 (hereinafter referred to as the "Investment Agreement").

WHEREAS there is in effect between Landsvirkjun and Norðurál a Power Contract dated August 7, 1997 relating to the supply of power by Landsvirkjun for the operation of an aluminium reduction plant at Grundartangi in the Municipalities of Skilmannahreppur and Hvalfjarðarstrandarhreppur, County of Borgarfjarðarsýsla, Iceland (hereinafter referred to as the "Smelter"), presently having an annual production capacity of approximately 60.000 metric tons of aluminium;

WHEREAS the Enabling Act and the Investment Agreement provide for possible expansions of the Smelter;

WHEREAS the Environmental Operating Licence for the Smelter issued by the Minister of Environment on March 26, 1997, provides that the Environmental Operating Licence shall be valid for the production of up to 180.000 metric tons of aluminium per year at the Smelter and further provides that the Smelter shall be

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constructed in three stages, of a production capacity of 60.000, 30.000 and 90.000 tons per year;

WHEREAS Norðurál wishes to expand the Smelter to an annual production capacity of 90.000 metric tons of aluminium and will for that purpose require a substantial additional amount of power supplied under long term arrangements;

WHEREAS Landsvirkjun is prepared as from April 1, 2001 to make available to Norðurál power amounting to 54 MW (capacity mean per hour) and 470 GWh per annum in addition to the power made available to Norðurál pursuant to the Power Contract, with 90% of the additional power being made available as firm power and Norðurál is prepared to undertake to take or pay 85% of the additional power as an average over any consecutive two-year period;

WHEREAS Landsvirkjun and Norðurál have conducted negotiations and have reached an agreement on the price and other terms and conditions of the additional power to be supplied by Landsvirkjun to the Smelter;

WHEREAS Landsvirkjun and Norðurál have concluded that the agreement reached between them in respect of the additional power supply should for practical purposes be entered into in the form of an amendment to the Power Contract, providing i.a. for the continued application of the existing power price formula for the proportion of the total power supply by Landsvirkjun after expansion of the Smelter which equals the power to be supplied by Landsvirkjun to the Smelter under the present Power Contract while setting forth a new power price formula for the proportion of the total power supply by Landsvirkjun after expansion of the Smelter which equals the additional power to be supplied by Landsvirkjun to the Smelter and also providing for a one year extension of the term of the Power Contract as amended;

NOW THEREFORE Norðurál and Landsvirkjun (hereinafter referred to individually as "Party" and collectively as "Parties") have declared and agreed as follows:

Article 1 - Title of This Agreement and Definitions Used Therein

(1) This Agreement shall be known as the First Amendment to the Power Contract.

(2) Wherever they occur in this Agreement, the defined terms referred to in Paragraph (1) of Article 1 of the Power Contract shall have the meaning assigned to them in the respective subparagraphs thereof, unless the context otherwise requires.

Article 2 - Amendment of Definitions Used in the Power Contract

(1) The following subparagraphs (t), (u) and (v) shall be added to Paragraph (1) of Article 1 of the Power Contract:

"(t) "First Stage of the Smelter" means the Smelter as constructed and equipped to have a rated capacity of 107 megawatts."



“(u) “Smelter-First Enlargement” means that portion of the Smelter having a rated capacity of 54 megawatts in excess of the rated capacity of the First Stage of the Smelter.”

“(v) “Third Permanent Delivery Date” means the date specified as such in Article 5 hereof.”

Article 3 - Amendment of Provisions of the Power Contract Relating to Power Supply

(1) The first sentence of Paragraph (1) of Article 2 of the Power Contract is hereby amended by deleting the words “First and Second Permanent Delivery Dates” and inserting in their place the words “First, Second and Third Permanent Delivery Dates”

(2) Subparagraph (b) of Paragraph (1) of Article 2 of the Power Contract is hereby amended by deleting the words “From the Second Permanent Delivery Date and thereafter” and inserting the words “From the Second Permanent Delivery Date until the Third Permanent Delivery Date” in their place.

(3) There is hereby inserted after subparagraph (b) of Paragraph (1) of Article 2 of the Power Contract a new subparagraph (c), reading as follows:

“(c) From the Third Permanent Delivery Date and thereafter:

	Firm	Secondary	Total
Capacity:			
(Mean per hour)	145 MW	16 MW	161 MW
(Instantaneous value)	155 MW	18 MW	173 MW
Energy per annum:	1260 GWh	140 GWh	1400 GWh”

(4) Paragraph (3) of Article 2 of the Power Contract is hereby amended by deleting the words “during any successive four-year period shall be not less than 223 GWh, and provided also that the overall availability of Secondary Energy during the Contract Period shall be not less than 1488 GWh” and inserting in their place the words “until the Third Permanent Delivery Date shall be not less than 126 GWh and not less than 336 GWh during any successive four-year period thereafter, and provided also that the overall availability of Secondary Energy during the Contract Period shall be not less than 2248 GWh” .

(5) The first sentence of Paragraph (1) of Article 4 of the Power Contract is hereby amended, firstly by deleting the words “First and Second Permanent Delivery Dates” and inserting the words “First, Second and Third Permanent Delivery Dates” in their place and secondly by deleting the words “in the latter case” and inserting in their place the words “in the last two cases”.

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(6) Subparagraph (b) of Paragraph (1) of Article 4 of the Power Contract is hereby amended by deleting the words "From the Second Permanent Delivery Date and thereafter" and inserting the words "From the Second Permanent Delivery Date until the Third Permanent Delivery Date" in their place.

(7) There is hereby inserted after subparagraph (b) of Paragraph (1) of Article 4 of the Power Contract a new subparagraph (c), reading as follows:

"(c) From the Third Permanent Delivery Date and thereafter 1190 GWh."

(8) Paragraph (2) of Article 4 of the Power Contract is hereby amended by deleting the words "Paragraph (5) of" and inserting the words "Paragraph (5) and Paragraph (7) of" in their place.

(9) Paragraph (1) of Article 5 of the Power Contract is hereby amended by adding thereto a new sentence, reading as follows:

"The Third Permanent Delivery Date shall be April 1, 2001, or such later date which the Subscriber may specify to Landsvirkjun by notice in writing not later than February 1, 2000, provided that such later date shall not be later than October 1, 2001."

(10) Paragraph (2) of Article 5 of the Power Contract is hereby amended, firstly by deleting the word "Smelter" and inserting the words "First Stage of the Smelter" in its place, and secondly by adding to Paragraph (2) a new sentence, reading as follows:

"Landsvirkjun will make available to the Subscriber power for construction of the Smelter-First Enlargement of a capacity of up to 3 MW (mean per hour) for the purposes of such construction".

(11) Paragraph (3) of Article 5 of the Power Contract is hereby amended by adding thereto two new sentences, reading as follows:

"Landsvirkjun shall make available to the Subscriber power for start-up of the Smelter-First Enlargement one month in advance of the Third Permanent Delivery Date. The advance delivery shall be effected progressively over a period of up to two months according to a start-up program as further agreed between the Parties".

(12) There is hereby added to Article 5 of the Power Contract a new Paragraph (7), reading as follows:

"(7) In the event that at any time within one year preceding the Third Permanent Delivery Date (as determined in accordance with Paragraph (1) of this Article 5), construction work (including engineering and equipment deliveries) on the Smelter-First Enlargement or on the facilities of Landsvirkjun necessary to the delivery of Contract Power to the Smelter-First

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Enlargement, shall suffer delays due to Force Majeure (as defined in Paragraph (1) of Article 20 hereof) affecting the Subscriber or Landsvirkjun or any party providing construction work (including engineering and equipment deliveries) to either of them, and the Subscriber or Landsvirkjun, as the case may be, cannot in its best estimate overcome such delays by taking all reasonable measures, then the Party concerned shall promptly give notice to the other Party of such Force Majeure in accordance with Paragraph (4) of Article 20 and, if it is the Subscriber, may as applicable reduce (if applicable to zero) its obligation pursuant to the Firm Commitment under subparagraph (c) of Paragraph (1) of Article 4 hereof to pay for a larger amount of energy per annum of Contract Power than specified in subparagraph (b) of Paragraph (1) of Article 4 or, as the case may be, if it is Landsvirkjun, may curtail the availability of Contract Power for the Smelter-First Enlargement, in each case for a period to be specified by notice in writing to the other Party. However, the period of any such reduction/curtailment may not exceed the lesser of twelve months and the actual period of delay caused by such Force Majeure. If the period of delay due to Force Majeure exceeds twelve months, then the Parties shall be required to perform their obligations in accordance with the terms of this Agreement with effect from the end of the twelve month period, notwithstanding the continuing Force Majeure event. Any such demand for reduction/curtailment shall be presented as promptly as practicable and in any event not more than thirty days after the cessation of the period of delay caused by the Force Majeure giving rise to such reduction/curtailment. The other Party may challenge any request for reduction/curtailment, the duration of any asserted period of delay, or the use of measures to overcome such delay, but any such challenge shall be asserted not later than sixty days after notice was given by the demanding Party. Any such challenge, if not amicably settled, may be submitted to adjudication or arbitration pursuant to Article 23, the latter at the request of either Party. The Court or arbitration tribunal shall be empowered to make such disposition of the issues involved in such challenge as may be appropriate”.

Article 4 - Amendment of Provisions of the Power Contract Relating to Charges and Conditions of Payment

(1) There are hereby inserted after the words “the Smelter” in the first line of Paragraph (1) of Article 11 of the Power Contract the words “for construction of the Smelter-First Enlargement and”.

(2) Subparagraph (b) of Paragraph (1) of Article 11 of the Power Contract is hereby amended as follows:

- a. The beginning of subparagraph (b) and until the end of the first paragraph of subparagraph (i) shall read as follows:

“The Contract Price shall be calculated pursuant to the following formulas:

1. From the date of start-up of the Smelter to the Third Permanent Delivery Date the price of all power shall be calculated pursuant to the following formula:

$$CP = \frac{LME3M \times p}{14.2}$$

where:

CP= the Contract Price, expressed in United States mills per kWh

LME3M = For the preceding calendar month, the average, expressed in United States dollars per metric ton (1 metric ton = 2204.62 pounds), of the daily averaged postings at the London Metal Exchange for primary aluminium, minimum purity 99.7 percent, three months delivery, as published by the Metal Bulletin;

p = 12%,
provided however that whenever during this period LME3M exceeds USD 1850 (one thousand eight hundred and fifty United States dollars) p shall increase linearly by .02% for every United States dollar that LME3M exceeds USD 1850 (one thousand eight hundred and fifty United States dollars) until LME3M reaches USD 2050 (two thousand and fifty United States dollars) and p is 16%.

2. From the Third Permanent Delivery Date the price of 930/1400 of all power delivered to the Smelter or becoming subject to payment pursuant to the provisions of Article 4 of this Agreement shall be calculated pursuant to the same formula as set forth in subsection 1. above where CP and LME3M shall have the same meaning as set forth therein and where p =

- (i) From the Third Permanent Delivery Date until October 31, 2001 = 12%, “

- b. The remainder of subparagraphs (i) to (iv) of subparagraph (b) of Paragraph (1) of Article 11 shall remain unchanged except that the words “subsection 1. and“ shall be inserted next before the words “subparagraphs (i) and (ii) above” in subparagraph (iii) and next before the words “subparagraphs (i) – (iii) above” in subparagraph (iv).

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- c. There is hereby inserted after the next to last paragraph of subparagraph (b) of Paragraph (1) of Article 11 a new subsection 3., reading as follows:

“3. From the Third Permanent Delivery Date to the expiration of the term of this Agreement the price of 470/1400 of all power delivered to the Smelter or becoming subject to payment pursuant to the provisions of Article 4 of this Agreement shall be calculated pursuant to the same formula as set forth in subsection 1. above where CP and LME3M shall have the same meaning as set forth therein and where $p = 16\%$, provided however that from the Third Permanent Delivery Date until March 31, 2005 payments for this proportion of Contract Power shall be deferred in part as further set forth hereinbelow. During this period the price to be paid by the Subscriber to Landsvirkjun shall be as if p were 14% while payment of the difference between the actual payment for the above specified proportion of Contract Power for the month in question and the amount that would otherwise have been payable plus interest as further specified hereinbelow (such difference and interest thereon hereinafter referred to as the “Deferred Amount” and the aggregate and accumulated Deferred Amounts as the “Accumulated Deferred Amount”) shall be deferred until such payment is made in the form of a bond as further specified hereinbelow. The Deferred Amount shall from the due date of payments for Contract Power consumed by the Subscriber during the month in question until April 25, 2005 bear interest at the 6 month LIBOR rate plus 75 basis points, adjusted semi-annually, and compounded semi-annually with a maximum rate at 9% per annum. In April 2005 Landsvirkjun shall deliver to the Subscriber a statement showing the Accumulated Deferred Amount as per April 25, 2005. Within fifteen days from the receipt of such statement the Subscriber shall issue a bond in favour of Landsvirkjun of a principal amount constituting the Accumulated Deferred Amount as per April 25, 2005. The bond shall be denominated in United States Dollars and shall bear interest at the 6 month LIBOR rate plus 100 basis points, adjusted semi-annually, and compounded semi-annually. The interest shall be calculated as from April 25, 2005. The principal amount together with interest on the unpaid portion of such principal amount outstanding from time to time shall be payable by twenty eight semi-annual installments on November 1 and May 1 of each year, for the first time on November 1, 2005. The bond shall be in a standard form and shall be assignable and transferable by Landsvirkjun.”

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- d. There are hereby inserted after the words “subparagraphs (i) to (iv)” in the last paragraph of subparagraph (b) the words “of subsection 2.

(3) The first sentence of Paragraph (1) of Article 14 of the Power Contract is hereby amended by deleting the words “pursuant to Paragraph (5) of Article 5” and inserting the words “pursuant to Paragraph (5) or Paragraph (7) of Article 5” in their place.

Article 5 - Amendment of General Provisions of the Power Contract

(1) Paragraph (1) of Article 16 of the Power Contract is hereby amended by deleting the words “the initial 60.000 tons Smelter” and inserting the words “the Smelter as expanded by the Smelter-First Enlargement” in their place.

(2) Paragraph (6) of Article 20 of the Power Contract is hereby amended by inserting the words “and Paragraph (7)” after the words “Paragraph (5)”.

(3) The first sentence of Paragraph (3) of Article 21 of the Power Contract is hereby amended by deleting the words “October 31, 2018” and inserting the words “October 31, 2019” in their place.

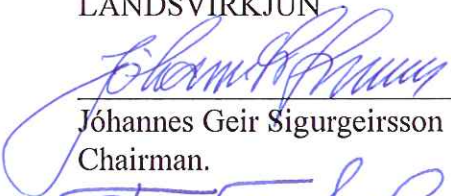
Article 6 - Status of this Agreement and Effective Date

(1) This Agreement is made as a supplemental agreement to the Power Contract pursuant to the provisions of Article 25 thereof and shall be deemed to be an integral part of the Power Contract as fully as if it were incorporated therein. Except as modified herein or hereby the provisions of the Power Contract shall not be changed or affected and shall remain in full force and effect.

(2) This Agreement shall become effective upon signature by the Parties. The provisions hereof shall take effect as applicable and as further specified in the individual Articles hereof.

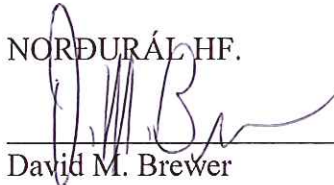
IN WITNESS WHEREOF, this First Amendment has been signed by Landsvirkjun and the Subscriber as of the date first above written

LANDSVIRKJUN


 Jóhannes Geir Sigurgeirsson
 Chairman.


 Friðrik Sophusson
 Managing Director

NORÐURÁL HF.


 David M. Brewer
 Director

364-0078

SECOND AMENDMENT TO THE POWER CONTRACT

between

LANDSVIRKJUN

and

NORÐURÁL HF.

AGREEMENT made as of the 21st day of April 2004

between

LANDSVIRKJUN (The National Power Company), an independent company which is owned by the Republic of Iceland, the City of Reykjavík and the Township of Akureyri and is organized and operated pursuant to Act of the Althing No. 42, March 23, 1983, as amended, and whose principal office is located in the City of Reykjavík, Iceland,

and

NORÐURÁL HF. (hereinafter referred to as "Norðurál" or the "Subscriber"), an Icelandic limited liability corporation, having its principal location at Grundartangi, Iceland, which has been organized in accordance with the Act of the Althing No. 62, May 27, 1997 (the "Enabling Act" as hereinafter defined), the Act of the Althing No. 2, January 30, 1995 on Limited Liability Companies and the Investment Agreement between the Government of Iceland and Columbia Ventures Corporation of 16703 S.E. McGillivray Boulevard, Suite 210, Vancouver, Washington 98683, United States of America and Norðurál dated August 7, 1997 (hereinafter referred to as the "Investment Agreement").

WHEREAS there is in effect between Landsvirkjun and Norðurál a Power Contract dated August 7, 1997, as amended by the First Amendment to the Power Contract, dated October 29, 1999, relating to the supply of power by Landsvirkjun for the operation of an aluminium reduction plant at Grundartangi in the Municipalities of Skilmannahreppur and Hvalfjarðarstrandarhreppur, County of Borgarfjarðarsýsla, Iceland (hereinafter referred to as the "Smelter"), initially having an annual production capacity of approximately 60.000 metric tons of aluminium and presently having an annual production capacity of approximately 90.000 metric tons of aluminium;

WHEREAS the Enabling Act and the Investment Agreement provide for possible expansions of the Smelter;

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WHEREAS the Environmental Operating License for the Smelter issued by the Minister of Environment on March 26, 1997, as amended on February 24th 2003 provides that the Environmental Operating License shall be valid for the production of up to 300.000 metric tons of aluminium per year at the Smelter.

WHEREAS it is now considered desirable on the part of Norðurál to expand the production capacity of the Smelter by means of the construction of a new potline with related facilities, having in the initial stage an annual production capacity of approximately 90.000 tons of primary aluminium. Such expansion will increase the overall capacity of the Smelter to approximately 180.000 tons p.a. When such expansion is concluded it is also considered desirable on the part of Norðurál to expand the production capacity of the Smelter further, having in the initial stage an annual production capacity of approximately 80.000 tons of primary aluminium. Such expansion will increase the overall capacity of the Smelter to approximately 260.000 tons p.a.

WHEREAS extensive changes have been made in the environment of the power sector in Iceland with the Electricity Act No. 65, March 27, 2003, and competition permitted.

WHEREAS Norðurál expects to require, for operation of the Smelter expansion from an annual production capacity of approximately 90.000 tons of primary aluminium to an overall capacity of up to approximately 180.000 tons p.a., a regular power supply of approximately 153 MW (mean per hour) and 1340 GWh in terms of energy per calendar year. Norðurál has commenced discussions with Orkuveita Reykjavíkur (hereinafter referred to as "OR") and Hitaveita Suðurnesja hf. (hereinafter referred to as "HS") regarding possible supply of power for such an expansion of the Smelter from 90.000 tons p.a. to 180.000 tons p.a. in 2006.

WHEREAS Landsvirkjun is willing to consider to provide, in addition to the Contract Power currently supplied under the Power Contract, power for the Smelter expansion from 90.000 tons p.a. to 180.000 tons p.a. in 2006 if OR and HS can not supply the power for the expansion of the Smelter. Landsvirkjun is also willing to consider to provide, in addition to the Contract Power currently supplied under the Power Contract, power for further expansion of the Smelter for an annual production capacity of approximately 80.000 tons of primary aluminium that will increase the overall capacity of the Smelter to approximately 260.000 tons p.a.

WHEREAS Landsvirkjun and Norðurál, as a result of negotiations to achieve these joint objectives now wish to amend certain provisions of the Power Contract relating to such expansions and related operational matters;

NOW THEREFORE Norðurál and Landsvirkjun (hereinafter referred to individually as "Party" and collectively as "Parties") have declared and agreed as follows:

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Article 1 - Title of This Agreement and Definitions Used Therein

- (1) This Agreement shall be known as the Second Amendment to the Power Contract.
- (2) Wherever they occur in this Agreement, the defined terms referred to in Paragraph (1) of Article 1 of the Power Contract shall have the meaning assigned to them in the respective subparagraphs thereof, unless the context otherwise requires.

Article 2 - Amendment of Definitions Used in the Power Contract

- (1) The following subparagraph (a) and (b) of Paragraph (1) of Article 1 of the Power Contract shall be amended and read as follows:

“(a) “Enabling Act” means the Act of the Althing No. 62, May 29, 1997, amended by Act No.12/2000, Act No. 75/2002 and Act No. 85/2003, to which reference is made in the Preamble hereto.”

“(b) “Investment Agreement” means the agreement between the Government and Columbia Ventures Corporation and Norðurál to which reference is made in the Preamble to this Agreement as amended by the First and the Second Amendment to the Investment Agreement”.

- (2) The following subparagraphs (x), (y), (z) and (z₁) shall be added to Paragraph (1) of Article 1 of the Power Contract:

“(x) “OR” means Orkuveita Reykjavíkur, an independent service company owned and operated by the City of Reykjavík among others and operated pursuant to Act of the Althing No. 139, December 21, 2001, whose principal office is located in the City of Reykjavik, Iceland.

(y) “HS” means Hitaveita Suðurnesja hf., a limited liability company owned and operated by the municipalities in the Reykjanes area among others, and operated pursuant to Act of the Althing No 10, March 19, 2001 and whose principal office is located in the township of Reykjanesbær, Iceland.

(z) “Expansion Power” means the power for the Smelter expected to be supplied by OR and HS for the expansion of the Smelter of annual production capacity of approximately 90.000 tons of primary aluminium increasing the overall capacity of the Smelter to approximately 180.000 tons p.a.

(z₁) “Further Expansion Power” means the power for the expansion of the Smelter of annual production capacity of approximately 80.000 tons of primary aluminium increasing the overall capacity of the Smelter from approximately 180.000 tons p.a. to approximately 260.000 tons p.a.”

Article 3 - Amendment of Provisions of the Power Contract Relating to Power Supply

- (1) There is hereby inserted after Paragraph (7) of Article 2 of the Power Contract a new Paragraph (8), reading as follows:

“Notwithstanding Paragraph (7) above the Subscriber has the right to negotiate the terms and condition for Expansion Power with OR and HS and sign an independent and separate agreement on such power purchase without any interference on behalf of Landsvirkjun”.

- (2) There is hereby inserted after Paragraph (1) of Article 3 of the Power Contract a new Paragraph (2), reading as follows:

“Notwithstanding Paragraph (1) above the Subscriber has the right to negotiate the terms and condition for Expansion Power with OR and HS and sign an independent and separate agreement on such power purchase”.

- (3) There is hereby inserted after Paragraph (2) of Article 4 of the Power Contract a new Paragraph (3), reading as follows:

“After the date of full power delivery under the power agreement between Norðurál, OR and HS, the Subscriber shall pay Landsvirkjun, OR and HS for energy used by Norðurál on a pro rata basis in accordance with the proportional amount of energy subscribed to under each power contract. Landsvirkjun shall have the right to have an independent public accountant review and verify how the energy used by Norðurál is divided between Landsvirkjun and OR and HR. The books and records maintained for energy used and purchased by Norðurál shall be made available, upon reasonable request, to an independent public accountant on behalf of Landsvirkjun, in order to verify the use of energy. Such audits may be requested no more frequently than twice per calendar year, and the costs of such audits shall be the responsibility of Landsvirkjun. The information disclosed to independent public accountants for such purposes, as well as any reports generated from such information and made available to Landsvirkjun, shall not include information on power prices. The information shall contain and constitute confidential Norðurál proprietary information, which is to be; (i) treated in strictest confidence, (ii) disclosed only to those having a need to receive such information for the purpose of such audit, and (iii) used only for the purpose of such audit, as set forth above.”

- (4) Paragraph (2) of Article 5 of the Power Contract is hereby amended by deleting the words “Smelter First Enlargement” and by inserting the words “enlargement of the Smelter from 90.000 tons p.a. to 180.000 tons p.a.”.

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Article 4 - Amendment of General Provisions of the Power Contract.

- (1) There is hereby inserted after Paragraph (3) of Article 16 of the Power Contract eight new Paragraphs (4), (5), (6), (7), (8), (9), (10) and (11), reading as follows:

“(4) Notwithstanding Paragraph (1) of Article 16 of the Power Contract the Subscriber has the right to negotiate the terms and condition for the Expansion Power with OR and HS and sign an independent and separate agreement on such power purchase without interference on behalf of Landsvirkjun. Such agreements shall however not have effect on the terms and conditions of the Power Contract, except as provided for in any amendment to the Power Contract.

(5) Landsvirkjun is willing to make its best commercial effort to provide, in addition to the Contract Power currently supplied under the Power Contract, as much as possible of the Extension Power in 2006, if OR and HS can not supply, temporarily or completely, the power for the expansion of the Smelter at that time, subject to an agreement expected to be entered into before December 31, 2007 or such other date agreed upon by the Parties.

(6) Landsvirkjun is also willing to consider to provide, in addition to the Contract Power currently supplied under the Power Contract, the Further Expansion Power for the Smelter, subject to an mutual agreement expected to be entered into before December 31, 2008 or such other date agreed upon by the Parties.

(7) Subject to further clarification of the alternatives available to Landsvirkjun the Parties agree, if OR and HS can not supply the Expansion Power to the Smelter, to enter into mutual negotiations on its implementation and on terms and conditions of supply of power for its operation, on the basis of the understanding and criteria the Parties agree upon, with the aim of bringing such negotiations to conclusion at the earliest possible date.

(8) The Expansion Power, if needed from Landsvirkjun, and the Further Expansion Power is intended to be made available on terms and conditions the Parties agree upon. The contract between the Parties relating to the Expansion Power, if needed from Landsvikjun, and the Further Expansion Power will be concluded in the form of an amendment to the Power Contract. The contract will have a basic term mutually acceptable by the Parties, setting the required frame for the power price and other commercial terms of the power supply, with the possibility of extension for a further term to be agreed upon between the Parties.

(9) The price for the Expansion Power, if delivered by Landsvirkjun, and the price of the Further Expansion Power and the commercial terms related thereto will be independently determined by negotiations between the Parties on the basis of the power projects available and existing law at that time.

(10) The final conclusion of a contract with the Subscriber with respect to the Expansion Power, if delivered by Landsvirkjun, and the Further Expansion Power will on the part of Landsvirkjun be subject to the following principal conditions:

- (a) Landsvirkjun being able to provide power through its power system on agreeable terms for Landsvirkjun.
- (b) Landsvirkjun obtaining an environmental operating license, as well as other licenses and approvals to projects to be undertaken by Landsvirkjun in relation to the Expansion Power, if needed from Landsvirkjun, and the Further Expansion Power.

(11) Notwithstanding Paragraph (8) of Article 2 of the Power Contract and Paragraph (4) of Article 16 of the Power Contract the Subscriber shall be fully obliged to all the obligations referred to in all the other Paragraphs and Articles of the Power Contract, the First Amendment to the Power Contract and this Second Amendment to the Power Contract.”

- (2) The following Article, with the following heading, Article 29 – Confidentiality, shall be added after Article 28 of the Power Contract, reading as follows:

“Article 29 - Confidentiality.

The content of this Power Contract with its amendments, whether in whole or in part, is confidential and may not be disclosed by either Party to a third party without the prior written consent of the other Party, unless such content is publicly available. Norðurál may however disclose the content of the Power Contract with its amendments to financial institutions as a part of any financing of the Smelter or its expansions”.

Article 5 - Status of this Agreement and Effective Date

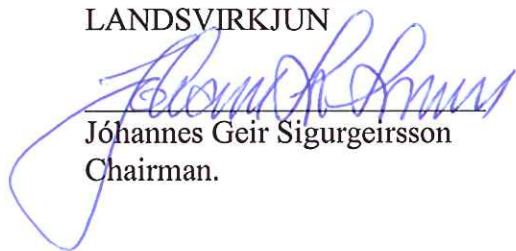
- (1) This Agreement is made as a supplemental agreement to the Power Contract pursuant to the provisions of Article 25 thereof and shall be deemed to be an integral part of the Power Contract as fully as if it were incorporated therein. Except as modified herein or hereby the provisions of the Power Contract shall not be changed or affected and shall remain in full force and effect.
- (2) This Agreement shall become effective on the date by which financing of the expansion of the Smelter to 180,000 metric tons capacity has been secured to the satisfaction of the Parties. Either party may terminate this agreement after

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May 31st 2004 if financing of the Smelter to 180.000 metric tons capacity has not been secured.

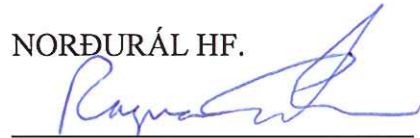
IN WITNESS WHEREOF, Landsvirkjun and the Subscriber as of the date first above written have signed this Second Amendment to the Power Contract.

LANDSVIRKJUN



Jóhannes Geir Sigurgeirsson
Chairman.

NORÐURÁL HF.



**THIRD AMENDMENT
TO
THE POWER CONTRACT

BETWEEN

LANDSVIRKJUN

AND

NORÐURÁL GRUNDARTANGI EHF.**

AGREEMENT made as of the 31st day of August 2016

between

LANDSVIRKJUN, Registration Number 420269-1299, with principal office located at Háaleitisbraut 68, 103 Reykjavík, Iceland (hereinafter referred to as "*Landsvirkjun*"), an independent partnership company owned by the Republic of Iceland and Eignarhlutir ehf. (a private limited liability company owned by the Icelandic State) which is organized and operated pursuant to Act of the Althing No. 42, March 23, 1983, as amended,

and

NORÐURÁL GRUNDARTANGI EHF., Registration Number 570297-2609, with principal office located at Grundartangi, 301 Akranes, Iceland (hereinafter referred to as "*Norðurál*" or the "*Subscriber*"), an Icelandic private limited liability corporation (ehf.), which has been organized in accordance with the Act of the Althing No. 62, May 27, 1997 and the Investment Agreement between the Government of Iceland and Columbia Ventures Corporation and Norðurál hf., dated August 7, 1997, now owned by Norðurál ehf. Norðurál ehf.'s ultimate shareholder is Century Aluminum Company, a public company with shares listed on NASDAQ.

Norðurál and Landsvirkjun (hereinafter referred to individually as "*Party*" and collectively as "*Parties*").

PREAMBLE

WHEREAS there is in effect between the Parties a Power Contract, dated August 7, 1997, as amended by the First Amendment to the Power Contract (the "*First Amendment*"), dated October 29, 1999, and as amended by the Second Amendment to the Power Contract (the "*Second Amendment*"), dated April 21, 2004, relating to the supply of power by Landsvirkjun for the operation of an aluminium reduction plant at Grundartangi, the Municipality Hvalfjarðarsveit, County of Borgarfjarðarsýsla, Iceland (hereinafter referred to as the "*Smelter*"), currently having permits to produce up to 350.000 metric tons of aluminium per annum;

WHEREAS there is in effect between the Parties an independent power contract, dated February 25, 2009 (the "*Power Contract 2009*"), on additional power delivery and power purchase for the Smelter from year 2009 until 2029;

WHEREAS there is also in effect between the Parties an independent power contract, dated June 22, 2012 (the "*Supplemental Power Contract*"), on reduction of power consumption and supplemental power;

WHEREAS extensive changes have been made in the environment of the power sector in Iceland with the Electricity Act No. 65/2003, also permitting competition in the electricity market in Iceland under the Competition Act No. 44/2005;

WHEREAS Norðurál is receiving regular power in addition to the power from Landsvirkjun from Orkuveita Reykjavíkur ("*OR*") and HS-Orka hf. ("*HS*") based on separate contracts between Norðurál and these two companies;

WHEREAS the Parties have been in discussions to agree on mutually acceptable terms for an at least ten (10) year extension of the Power Contract, which expires on October 31, 2019,

as referred to in Paragraph (3) of Article 21 of the Power Contract, but have been unable to come to mutually agreeable terms for a ten (10) year extension period;

WHEREAS the Parties have, since they have not been able mutually to agree on a ten (10) year extension period, agreed to (i) extend the Power Contract for a shorter extension period from November 1, 2019 until December 31, 2023, (ii) resume discussions regarding a further extension no later than May 2020 and (iii) conclude discussions regarding further extension before November 30, 2020;

WHEREAS the Parties have agreed in this Agreement on certain changes to the Power Contract to apply for the Extended Contract Period (as defined below) and also agreed to postpone discussions regarding any further changes to the Power Contract to coincide with discussions regarding a further possible extension period;

WHEREAS, the Parties have agreed to a pricing mechanism referencing the Elspot System Price (as defined below), which is intended to approximate the market price for power in the Nordic regions (recognizing that there may be minor changes to the calculation of the Elspot System Price from time to time);

WHEREAS, as set forth below, the Parties have agreed and intend that the total Transmission Charges, as defined, shall be shared equally between the Parties;

WHEREAS concurrent with or prior to the execution of this Agreement, Norðurál will have entered into a transmission agreement with the Transmission System Operator (Landsnet hf.), the "Transmission Agreement";

WHEREAS Landsvirkjun has, prior to the signing of this Agreement, pre-notified to the EFTA Surveillance Authority in Brussels ("ESA") and thereby provided a draft of this Agreement to ESA for its review in order to evaluate if this Agreement is considered to constitute state aid;

WHEREAS Landsvirkjun will submit the final signed and executed copy of this Agreement to ESA with a formal notification from both the Ministry of Finance and Economic Affairs and Landsvirkjun with all relevant documents; and

WHEREAS the Parties now wish to amend certain provisions of the Power Contract as set forth in this Agreement.

NOW THEREFORE the Parties have declared and agreed as follows:

Article 1

Title of This Agreement and Definitions Used Herein

- (1) This Agreement shall be known as the "Third Amendment to the Power Contract" or the "Agreement" as referred to in this document.
- (2) Wherever they occur in this Agreement, the defined terms referred to in Paragraph (1) of Article 1 of the Power Contract shall have the meaning assigned to them in the respective subparagraphs thereof, unless the context otherwise requires or such terms are otherwise defined in Article 2 of this Third Amendment to the Power Contract.

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Article 2
Definitions

- (1) The following subparagraph (z₂), (z₃), (z₄), (z₅), (z₆), (z₇), (z₈), (z₉), (z₁₀), (z₁₁), (z₁₂), (z₁₃) and (z₁₄), shall be added to Paragraph (1) of Article 1 of the Power Contract as new definitions:
- (z₂) “*Extended Contract Period*” means the extension period of the Power Contract from November 1, 2019 until December 31, 2023.
- (z₃) “*EFTA Surveillance Authority*” or “*ESA*” has the meaning specified in the Preamble hereof.
- (z₄) “*EUR/USD Exchange Rate*” or “*EURUSD*” means the monthly average for the EURUSD reference exchange rate, applied to convert EUR to USD, as published by the European Central Bank (ECB) (currently published on the webpage <http://www.ecb.europa.eu> → Statistics → Exchange rates → Euro foreign exchange reference rates → USD) with four (4) decimals. As an example the monthly average EURUSD reference exchange rate published by ECB for January 2016 is 1.0860.
- (z₅) “*Monthly Average Elspot System Price*” means the arithmetic monthly average of the Elspot System Price in EUR/MWh, as currently published on the Nord Pool Spot website (currently published on the webpage <http://www.nordpoolspot.com> → Market Data → Elspot Day-Ahead), with two (2) decimals. If the monthly average of the Elspot System Price is not available, then it can be calculated as the arithmetic average of the daily Elspot System Price within that month with two (2) decimals. If the daily average of the Elspot System Price is not available, then it can be calculated as the arithmetic average of the hourly Elspot System Price within that day with two (2) decimals. As an example the price published for the Monthly Average Elspot System Price, which could also be calculated based on corresponding hourly and daily Elspot System Price values, for January 2016 is 29.85 EUR/MWh.
- (z₆) “*Elspot Power Market*” is a day-ahead power market currently operated by Nord Pool Spot AS consisting of the Nordic (Denmark, Finland, Norway & Sweden) and Baltic (Estonia, Latvia and Lithuania) regions.
- (z₇) “*Elspot System Price*” is the reference price in EUR/MWh published for the Elspot Power Market, currently by Nord Pool Spot AS based on all hourly sale and purchase orders disregarding the available transmission capacity between the different bidding areas in the Elspot Power Market.
- (z₈) “*Interconnected Transmission System*” means the countrywide electric transmission system in Iceland presently owned or operated by Transmission System Operator, comprising main transmission lines, substations and facilities for feeding power into the system and tapping power from the system, as well as any changes or modifications thereto that the Transmission System Operator owns, controls or utilizes from time to time.
- (z₉) “*Points of Infeed*” has the meaning specified in Paragraph (1) of Article 7 hereof.

- (z10) *“Power Contract”* means the Power Contract, dated August 7, 1997, between the Parties, as amended by the First, Second and Third Amendments to the Power Contract.
- (z11) *“Subscriber Transmission Charges”* means the total transmission charges the Subscriber shall be liable for paying for transmission of Contract Power from Landsvirkjun to the Smelter pursuant to the Agreement, including outfeed charges (delivery charge, energy charge, capacity charge), ancillary services and transmission losses, as the terms are defined in the Tariff for Transmission and Ancillary Services from time to time, now No 20/2016.
- (z12) *“Transmission Agreement”* means transmission agreement between the Subscriber and the Transmission System Operator (Landsnet hf.), which describes the terms and conditions for the transmission of Contract Power from Landsvirkjun to the Subscriber.
- (z13) *“Transmission Charges”* means all transmission charges and fees set by the Transmission System Operator for the amount of Contract Power delivered by Landsvirkjun to the Subscriber (Smelter) during the Extended Contract Period under the tariff for transmission and ancillary services, or any successor tariff, from time to time, issued by the Transmission System Operator, now No. 20/2016.
- (z14) *“Transmission System Operator”* or *“TSO”* or *“Landsnet hf.”* means the power transmission company in Iceland, according to Act No. 75/2004 on Establishment of Landsnet hf. and the Electricity Act No. 65/2003, as amended from time to time.

Article 3

Amendment of Provisions of the Power Contract Relating to Power Supply

- (1) Subparagraph (c) of Paragraph (1) of Article 2 of the Power Contract is hereby amended by replacing the words *“From the Third Permanent Delivery Date and thereafter”* with the words *“From the Third Permanent Delivery Date and until October 31, 2019”*.
- (2) A new subparagraph Subparagraph (d) is hereby added to Paragraph (1) of Article 2 of the Power Contract, with additional text which relates to all the subparagraphs (a to d) of Paragraph (1) of Article 2 of the Power Contract, reading as follows:

“(d) From November 1, 2019 and until December 31, 2023:

	<i>Firm</i>	<i>Secondary</i>	<i>Total</i>
<i>Capacity:</i>			
<i>(Mean per hour)</i>	<i>145 MW</i>	<i>16 MW</i>	<i>161 MW</i>
<i>Energy per annum:</i>	<i>1269 GWh</i>	<i>141 GWh</i>	<i>1410 GWh</i>

Such Contract Power will be supplied on the terms and conditions provided in this Agreement and applicable rules from time to time, such as regulation No. 1040/2005 on “Execution of Electricity Act”, regulation No. 513/2003 on “Management of power transmission system”, regulation No. 1050/2004 on “Management and trade of electricity” and regulation No. 1048/2004 on “Quality and security of supply of electricity”, as they may be amended from time to time.”

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- (3) There is hereby a new paragraph, Paragraph (8), added to Article 2 of the Power Contract, reading as follows:
- “The Subscriber shall, with respect to supply during the Extended Contract Period, have the option to i) reduce, without penalty, up to 80 MW of Contract Power, following a two (2) year written notice to Landsvirkjun, and ii) reduce, without penalty, up to the full Contract Power of 161 MW, following a three (3) year written notice to Landsvirkjun. Following the actual reduction of the first 80MW of Contract Power in accordance with the preceding sentence, the Subscriber shall have the option to reduce up to the remaining 81 MW of Contract Power, following a two (2) year written notice to Landsvirkjun. Such written notice of reduction may be delivered by the Subscriber to Landsvirkjun at any time. No share of Contract Power that is reduced shall be restored unless agreed in writing by both Parties.”*
- (4) Subparagraph (c) of Paragraph (1) of Article 4 of the Power Contract is hereby amended by replacing the words *“From the Third Permanent Delivery Date and thereafter”* with the words *“From the Third Permanent Delivery Date and until October 31, 2019”*.
- (5) There is hereby inserted a new subparagraph, Subparagraph (d), to Paragraph (1) of Article 4 of the Power Contract, reading as follows:
- “(d) From November 1, 2019 and thereafter 1199 GWh.”*
- (6) A new paragraph, Paragraph (8), shall be added to Article 5 of the Power Contract, reading as follows:
- “The Subscriber is responsible for entering into a transmission agreement with the Transmission System Operator for the transmission of Contract Power delivered by Landsvirkjun to the Subscriber during the Extended Contract Period. The Subscriber shall be responsible for the Subscriber Transmission Charges payable to the TSO for the transmission of Contract Power to the Subscriber. Landsvirkjun shall be responsible for all infeed charges as set by the Transmission System Operator for the amount of Contract Power delivered by Landsvirkjun to the Subscriber during the Extended Contract Period.”*
- (7) A new paragraph, Paragraph (9), shall be added to Article 5 of the Power Contract, reading as follows:
- “Landsvirkjun shall during the Extended Contract Period pay half of the Subscriber Transmission Charges for transmission of Contract Power to the Subscriber, subject to a clear and detailed invoice from Subscriber showing the metered Contract Power received by the Subscriber under this Agreement, and confirmed on a statement from the TSO. The Subscriber shall seek to obtain the TSO’s agreement under the Transmission Agreement to invoice Landsvirkjun directly for its portion of the Subscriber Transmission Charges and shall obtain Landsvirkjun’s approval with respect to any such provision. In such event, the invoice from the TSO shall replace the invoice from Subscriber in the first sentence of this Paragraph.”*
- (8) Article 6 of the Power Contract shall be deleted.
- (9) Article 7 of the Power Contract is hereby replaced with a new Article 7, reading as follows:

“Article 7 – Points of Infeed

- (1) *Landsvirkjun shall during the Extended Contract Period deliver Contract Power to the countrywide power transmission system owned and/or operated by the Transmission System Operator. The Points of Infeed shall be at the connection points where the Transmission System Operator receives power from generating facilities connected to the Interconnected Transmission System (“Points of Infeed”).*
 - (2) *As between the Parties, Landsvirkjun shall be deemed to be in exclusive control of the Contract Power (and responsible for any loss, liability, damage or injury caused thereby) prior to the Points of Infeed. At the Points of Infeed the control and responsibilities will be transferred to the Transmission System Operator, with which the Subscriber will enter into a transmission contract on the delivery of the Contract Power to the Smelter. Without limiting the foregoing, Landsvirkjun shall not be responsible for any failure of the Subscriber to accept delivery of the Contract Power at the Points of Infeed unless attributable to a default of Landsvirkjun or as otherwise set forth in this Agreement.”*
- (10) There is hereby a new paragraph, Paragraph (4), added to Article 8 of the Power Contract, reading as follows:

“During the Extended Contract Period, the Transmission System Operator shall be liable for all metering under Paragraphs (1), (2) and (3) of this Article 8, pursuant to the Transmission Agreement. Landsvirkjun shall have access to the applicable metering data during the Extended Contract Period.

- (11) Article 9 of the Power Contract is hereby replaced with a new Article 9, reading as follows:

“Article 9 – Ordering of Contract Power

- (1) *Orders for Contract Power shall take place in accordance with the rules and conditions set by the Transmission System Operator, which are applicable to all power intensive customers from time to time.. Paragraph (2) of this Article 9 describes the current ordering system. Any change to such rules and conditions other than as made by the Transmission System Operator shall only be made upon mutual agreement between Landsvirkjun and Subscriber.*
- (2) *When the delivery of Contract Power commences, the Subscriber shall submit orders to Landsvirkjun every Friday before twelve hundred (1200) hours in the form of an hourly schedule for consumption of Contract Power for the coming fourteen (14) days. Before twelve hundred (1200) hours every day the Subscriber can submit to Landsvirkjun changes to the orders for the remainder of the fourteen (14) day schedule. Landsvirkjun will accordingly use the orders submitted to assemble a production schedule to be submitted to the Transmission System Operator.*
- (3) *The orders for Contract Power submitted to Landsvirkjun according to Paragraph (2) of this Article 9 shall be within the limits on Contract Power Capacity, an hourly value, as specified in Article 2. If Landsvirkjun does not receive an order from the Subscriber for the coming fourteen (14) days, then*

Landsvirkjun has the right to use the last valid fourteen (14) days order placed by the Subscriber as a final and binding order for the coming fourteen (14) days subject to changes that may be made to such schedule in accordance with Paragraph (2) of this Article 9. After twelve hundred (1200) hours every day the order for the coming calendar day shall be binding."

- (12) Article 10 of the Power Contract shall be deleted.

Article 4

Amendment of Provisions of the Power Contract Relating to Charges and Conditions of Payment

- (1) Paragraph (1) of Article 11 of the Power Contract is hereby replaced with a new Paragraph (1), reading as follows:

"During the Extended Contract Period the Subscriber shall pay for all Contract Power delivered to the Point of Infeed (net of losses), or becoming subject to payment pursuant to the provisions of Article 4 of the Power Contract, at the rates (the "Contract Price") set forth below (which are exclusive of any payment for transmission) and in the manner hereinafter provided:

- (a) *The Amount Payable by Subscriber to Landsvirkjun ("APN_i"), for Contract Power delivered in month i, in United States dollars, shall be calculated at the beginning of the next calendar month using the following formula:*

$$APN_i = BM_i * (N_i * EURUSD_i)$$

where:

- i) *BM_i is the metered monthly consumption of Contract Power under this Agreement in month i.*

The TSO shall calculate metered monthly consumption in each month of Contract Power under this Agreement. The foregoing TSO responsibilities shall be agreed in the Transmission Agreement and verified by Landsvirkjun before its signature.

- ii) *N_i is the Monthly Average Elspot System Price in Euros per MWh for month i.*

- iii) *EURUSD_i is the EURUSD reference exchange rate for month i.*

- (b) *The Amount Payable by Landsvirkjun to the TSO in connection with delivery of Contract Power in month i, in United States dollars, shall be calculated on the Subscriber's behalf by the TSO at the beginning of the next calendar month in accordance with Paragraph (9) of Article 5.*

- (c) *In the event that information needed to ascertain N_i or EURUSD_i is, for reasons beyond the control of either Party, unavailable for any given calendar month, then the N_i or EURUSD_i for the preceding calendar month will be used in calculating the Contract Price. Upon such availability, the Contract Price will be recalculated based on such newly available information and the resulting difference, if any, between the Contract Price as originally calculated and the Contract Price as recalculated will, without*

interest, be paid by the Subscriber or refunded by Landsvirkjun, as the case may be, at the first time thereafter that Landsvirkjun submits a statement of invoice pursuant to the applicable terms of the Power Contract.

- (d) *In the event that any of the information needed to ascertain Ni or EURUSDi as is, for reasons beyond the control of either Party, unavailable for a period longer than three (3) consecutive months, then Landsvirkjun and the Subscriber shall seek to agree on the method for calculating the Contract Price based on comparable information in lieu of the information that has become unavailable. If the Parties so agree, such information shall be so used, and if they are unable to so agree, the matter may be referred by either Party to arbitration in accordance with the applicable terms of the Power Contract. Until the matter is resolved by agreement or arbitration, and subject to the terms of such resolution, the provisions of Subparagraph (c) of this Paragraph (1) of this Article 11 shall continue to apply.”*

Article 5

Amendment of the General Provisions of the Power Contract

- (1) There is hereby inserted a new sentence at the end of Paragraph (1) of Article 20 of the Power Contract, reading as follows:

“It is agreed that a Force Majeure event, as defined in this Paragraph and in the Transmission Agreement, affecting the transmission of Contract Power to the Smelter shall be considered as a “Force Majeure” under this Agreement.”

- (2) Paragraph (3) of Article 21 of the Power Contract is hereby replaced with a new Paragraph (3), reading as follows:

“Upon the effective date of this Agreement pursuant to Paragraphs (1) and (2) of this Article, subject to the provisions of Article 15 and of Paragraph (5) of Article 20, this Agreement shall remain in force until the end of the Extended Contract Period, and shall then expire without notice. However, no later than November 30, 2020, the Parties shall have concluded discussions regarding an extension of this Agreement for a period not less than from January 1, 2024 until October 31, 2029, on mutually agreeable terms, unless the Parties otherwise agree.”

- (3) There is hereby inserted a new paragraph, Paragraph (4), to Article 21 of the Power Contract, reading as follows:

“The Parties acknowledge that they have different views on the meaning of Paragraph 3 of this Article 21 and agree that this Extended Contract Period is being entered into without prejudice to their respective views and rights under such Paragraph of the Power Contract. The Parties further agree that all rights, obligations and arguments with respect to the extension provisions of the Power Contract shall be preserved for the term of the Extended Contract Period.”

- (4) Paragraph (2) of Article 22 of the Power Contract is hereby replaced with a new Paragraph (2), reading as follows:

“All the provisions of this Article 22 have been negotiated and agreed in full knowledge by both Parties of the provisions of Article 36 of Act No. 7/1936 on Contracts, as amended first by Act No. 11/1986 and thereafter by Act No. 14/1995.

All the provisions of this Article 22 shall be in substitution of the provisions of Article 36 of said Act."

- (5) There is hereby inserted a new paragraph, Paragraph (4), to Article 22 of the Power Contract, reading as follows:

"The Parties agree that Paragraph (1) of this Article 22 shall also apply to (i) the occurrence of fundamental changes to the Elspot Power Market beyond the control of the Parties that may cause the Elspot System Price to not reflect the cost of power generation and not be subject to forces of supply and demand in the Elspot Power Market due to extensive further government intervention in the power market in the form of new legislation or regulation, including but not limited to increased use of subsidy instruments such as energy feed in tariffs, contracts for difference, capacity mechanism or other means with similar effect and (ii) the addition or subtraction of regions included in the Elspot Power Market that has a material effect on the Elspot System Price (e.g. the addition of the United Kingdom might be an example where this could apply). The Parties intend that if such events should occur, then the Parties shall meet in good faith, discuss and agree a new pricing mechanism that reflects the intent of the Parties, which is for the Contract Price to reflect market value for power in the Elspot Power Market and to enable the Parties to effectively enter into hedging transactions referencing the Elspot Power Market. If either Party concludes, and notifies the other Party in writing, that the Parties are unable to agree on a modification to the Power Contract, including a new pricing mechanism under such circumstances, then either Party may take such disagreement to the Dispute mechanism under Article 23 of the Power Contract."

Article 6

Confirmation and Conditions Precedent to Entry into Force

- (1) Prior to or concurrent with the signing of this Agreement, the Subscriber has confirmed in writing to Landsvirkjun with all relevant documents that the Subscriber has entered into the Transmission Agreement.
- (2) The binding validity and effect of this Agreement shall be subject to the satisfaction of the following conditions precedent:
- (a) The approval of the Board of Directors of Landsvirkjun after the closing of the pre-notification period within ESA;
 - (b) The approval of the Board of Directors of the Subscriber after the closing of the pre-notification period within ESA;
 - (c) The final approval of the ESA of this Agreement, after i) the Parties have signed this Agreement and ii) the formal notification procedure within ESA is concluded, without any conditions in its formal decision (ruling) on the Agreement.
- (3) If the conditions precedent pursuant Paragraphs (2) if this Article 6 are not met before October 31, 2016 then this Agreement shall terminate automatically and without any notices of the Parties unless they mutually agree otherwise in writing.

Article 7

Jurisdiction and other provisions of the Power Contract

- (1) As regards governing law, disputes, force majeure, language and confidentiality in respect of this Agreement, all the respective provisions of the Power Contract shall apply *mutatis mutandis*.

Article 8

Status of this Agreement and Effective Date

- (1) This Agreement is made as a supplemental agreement to the Power Contract pursuant to the provisions of Article 25 thereof and shall be deemed to be an integral part of the Power Contract as fully as if it were incorporated therein. Except as modified herein or hereby the provisions of the Power Contract shall not be changed or affected and shall remain in full force and effect during the term of the Power Contract.
- (2) This Agreement shall become binding for the Parties on the day of signing but not fully legally valid and effective until all the conditions precedent of Article 6 of this Agreement have been fulfilled (the "Effective Date"). The amendments made by this Agreement on the provisions of the Power Contract shall however not take effect until the start of the Extended Contract Period, with the exception that Paragraph (3) of Article 3 of this Agreement (new Paragraph (8) of Article 2 of the Power Contract) shall be effective on the Effective Date of this Agreement.
- (3) Tabled at the signing of this Agreement are copies of the resolutions of the Boards of Directors of the Parties approving the terms and conditions of the Agreement and authorising a specified person or persons, on their behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by them under or in connection with the Agreement.
- (4) This Agreement shall be signed and delivered by the respective Parties thereto in two original copies. Each such copy signed and delivered by the respective Parties, shall be an official original having equal force and effect with the other such copy also duly signed and delivered by the respective Parties thereto.

IN WITNESS WHEREOF, this Third Amendment to the Power Contract has been signed on behalf of Landsvirkjun and Norðurál by duly authorized representatives of each Party as of the date first above written in the presence of two witnesses.

LANDSVIRKJUN

By [Signature]

NORÐURÁLGRUNDARTANGI EHF.

By [Signature]

Witnessed By

[Signature]
[Signature] 070750-7609

FOURTH AMENDMENT

TO

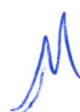
THE POWER CONTRACT

BETWEEN

LANDSVIRKJUN

AND

NORÐURÁL - GRUNDARTANGI EHF



AGREEMENT made as of the February 24, 2021

between

LANDSVIRKJUN, Registration Number 420269-1299, with principal office located at Háaleitisbraut 68, 103 Reykjavík, Iceland (hereinafter referred to as "*Landsvirkjun*"), an independent partnership company owned by the Republic of Iceland and Eignarhlutir ehf. (a private limited liability company owned by the Icelandic State) which is organized and operated pursuant to Act of the Althing No. 42, March 23, 1983, as amended, and Act of the Althing No. 65/2003 on Electricity, as amended.

and

NORÐURÁL GRUNDARTANGI EHF., Registration Number, with principal office located at Grundartangi, 301 Akranes, Iceland (hereinafter referred to as "*Norðurál*" or the "*Subscriber*"), an Icelandic private limited liability corporation (ehf.), which is organized and operates pursuant to Icelandic law owned by Norðurál ehf. Norðurál ehf.'s ultimate shareholder is Century Aluminum Company, a public company with shares listed on NASDAQ.

Norðurál and Landsvirkjun (hereinafter referred to individually as "*Party*" and collectively as "*Parties*").

PREAMBLE

WHEREAS there is in effect between the Parties a Power Contract, dated August 7, 1997, ("The Power Contract") as amended by the First Amendment to the Power Contract (the "First Amendment"), dated October 29, 1999, and as amended by the Second Amendment to the Power Contract (the "Second Amendment"), dated April 21, 2004, and as amended by the Third Amendment to the Power Contract (the "Third Amendment"), dated August 31, 2016;

WHEREAS there is in effect between the Parties an independent power contract, dated February 25, 2009 (the "*Power Contract 2009*"), on additional power delivery and power purchase from year 2009 until 2029;

WHEREAS the Parties regularly enter into short-term power contracts;

WHEREAS the Parties now wish to amend the confidentiality Article of the Power Contract as set forth in this Agreement.

NOW THEREFORE the Parties have declared and agreed as follows:

Article 1 Removal of the Confidentiality Article

Article 29 ("Confidentiality") of The Power Contract as amended by the Second Amendment shall be deleted in its entirety.

Article 2
Status of this Agreement and Effective Date

- (1) This Agreement is made as a supplemental agreement to the Power Contract pursuant to the provisions of Article 25 thereof and shall be deemed to be an integral part of the Power Contract as fully as if it were incorporated therein. Except as modified herein or hereby the provisions of the Power Contract shall not be changed or affected and shall remain in full force and effect during the term of the Power Contract.
- (2) This Agreement shall become binding for the Parties on the day of signing.
- (3) Tabled at the signing of this Agreement are copies of the resolutions of the Boards of Directors of the Parties approving the terms and conditions of the Agreement and authorising a specified person or persons, on their behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by them under or in connection with the Agreement.
- (4) This Agreement shall be signed and delivered by the respective Parties thereto in two original copies. Each such copy signed and delivered by the respective Parties, shall be an official original having equal force and effect with the other such copy also duly signed and delivered by the respective Parties thereto.

IN WITNESS WHEREOF, this Fourth Amendment to the Power Contract has been signed on behalf of Landsvirkjun and Norðurál by duly authorized representatives of each Party as of the date first above written in the presence of two witnesses.

LANDSVIRKJUN

By  _____

NORÐURÁL GRUNDARTANGI EHF.

By  _____

Witnessed By:

