



Kaiser Aluminum Corporation Announces Proposed \$130 Million Private Offering of Cash Convertible Senior Notes and Authorization to Repurchase Shares of Common Stock

FOOTHILL RANCH, Calif., March 22, 2010 (GLOBE NEWSWIRE) -- Kaiser Aluminum Corporation (Nasdaq:KALU) today announced its intention to offer, subject to market and other conditions, \$130 million aggregate principal amount of cash convertible senior notes due 2015 (the "notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. In certain circumstances, the notes may be converted into an amount of cash equal to the market value at that time of a number of shares of Kaiser Aluminum's common stock into which such notes are convertible. However, the notes will not be convertible into Kaiser Aluminum's common stock or any other securities.

The interest rate, conversion rate and other terms of the notes will be determined by negotiations between Kaiser Aluminum and the initial purchasers of the notes. Kaiser Aluminum expects to grant the initial purchasers a 30-day option to purchase up to \$20.0 million principal amount of additional notes to cover over-allotments.

In connection with the offering of the notes, Kaiser Aluminum expects to repurchase up to \$50 million of its outstanding common stock in privately negotiated, off-market transactions with purchasers of the notes, which may be effected through one of the initial purchasers of the notes, and to enter into convertible note hedge transactions with some or all of the initial purchasers and/or their affiliates (the "option counterparties"). The convertible note hedge transactions are expected to generally reduce Kaiser Aluminum's exposure to potential cash payments in excess of the principal amount of the notes that it may be required to make upon the conversion of the notes. Kaiser Aluminum also expects to enter into warrant transactions with the option counterparties pursuant to which Kaiser Aluminum will sell to the option counterparties net-share-settled warrants to purchase shares of Kaiser Aluminum's common stock. To the extent that the market value of Kaiser Aluminum's common stock on the applicable valuation dates exceeds the strike price of the warrants, the warrants will have a dilutive effect. If the initial purchasers exercise their option to purchase additional notes, Kaiser Aluminum expects to enter into additional convertible note hedge transactions and warrant transactions with the option counterparties.

In connection with hedging the convertible note hedge transactions and the warrant transactions, the option counterparties and/or their affiliates expect to enter into various derivative transactions with respect to Kaiser Aluminum's common stock concurrently with or shortly after the pricing of the notes. These activities and the repurchase of common stock by Kaiser Aluminum could increase (or reduce the size of any decrease in) the price of Kaiser Aluminum's common stock concurrently with or shortly after the pricing of the notes. In addition, the option counterparties and/or their affiliates expect to modify their hedge positions from time to time by entering into, or unwinding, various derivative transactions and/or by purchasing, or selling, shares of Kaiser Aluminum's common stock in secondary market transactions, and are particularly likely to do so following the conversion of a note or shortly before the maturity date of the notes. Although the effect of these activities on the price of Kaiser Aluminum's common stock will depend in part on various market conditions and cannot be ascertained at this time, the effect could be to depress (or to avoid an increase) in the price of Kaiser Aluminum's common stock.

In connection with the offering of the notes, Kaiser Aluminum also expects to terminate its \$265 million existing senior secured revolving credit facility and enter into a new \$200 million, four year senior secured revolving credit facility providing for borrowings based upon advances against eligible accounts receivable and eligible inventory. The new credit facility is expected to close simultaneously with the pricing of the convertible notes.

Kaiser Aluminum plans to use the net proceeds from the offering of the notes to pay the costs of the convertible note hedge transactions (after such costs are partially offset by the proceeds that Kaiser Aluminum receives from the warrant transactions) and to repurchase up to \$50 million of its common stock. The remainder of the net proceeds will be used for general corporate purposes.

This announcement does not constitute an offer to sell or a solicitation of an offer to buy securities. Any offers of the securities will be made only by means of a private offering memorandum. The offer and the sale of the notes, the convertible note hedge, the warrants and the shares of common stock underlying such securities have not been registered under the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction and the notes, convertible note hedge, warrants and underlying shares of common stock may not be offered or sold absent registration or an applicable exemption from registration requirements. This announcement contains information about anticipated transactions, and there can be no assurance that such transactions will be completed.

Kaiser Aluminum Corporation, headquartered in Foothill Ranch, Calif., is a leading producer of semi-fabricated specialty aluminum products, serving customers worldwide with highly-engineered solutions for aerospace and high-strength, general

engineering, and custom automotive and industrial applications. The Company's North American facilities produce value-added sheet, plate, extrusions, forgings, rod, bar and tube products, adhering to traditions of quality, innovation and service that have been key components of our culture since the Company was founded in 1946. The Company's stock is included in the Russell 2000® index. For more information, please visit www.kaiseraluminum.com.

The Kaiser Aluminum Corporation logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=6081>

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the use of forward-looking terminology such as "expects," "may," "will," "plans" or "anticipates" or the negative of the foregoing or other variations or comparable terminology, or by discussions of strategy or intentions. These statements are based on the beliefs and assumptions of Kaiser Aluminum's management based on information available to management at the time such statements are made. Readers are cautioned that any such forward-looking statements are not guarantees of future performance or events and involve significant risks and uncertainties, and that actual results or events may vary materially from those in the forward-looking statements as a result of various factors. These factors include (a) conditions in the capital markets; (b) general economic and business conditions, including conditions in the aerospace and other end markets Kaiser Aluminum serves; (c) changing prices and market conditions; and (d) other factors summarized in Kaiser Aluminum's reports filed with the Securities and Exchange Commission, including Kaiser Aluminum's Annual Report on Form 10-K for the fiscal year ended December 31, 2009. All information in this release is as of the date of the release. Kaiser Aluminum undertakes no duty to update any forward-looking statement to conform the statement to actual results or events or changes in its expectations.

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