

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange



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Public Announcement 2008 – 46AWC

Attached is an announcement regarding Alumina's accelerated, pro rata entitlement offer.

A handwritten signature in black ink, appearing to read "Stephen Foster".

Stephen Foster
Company Secretary

26 September 2008

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Successful Completion of Capital Raising

Alumina Limited ("Alumina") today announced that it has successfully completed the retail component of its 5 for 19 accelerated pro-rata entitlement offer to shareholders (the "Entitlement Offer"), with the Retail Entitlement Offer and associated Retail Bookbuild to raise approximately \$266 million.

Including approximately \$644 million raised through the Institutional Entitlement Offer and associated Institutional Bookbuild conducted in late August, Alumina will raise a total of approximately \$910 million in new equity funds under the Entitlement Offer.

The funds raised under the Entitlement Offer will be applied by Alumina:

- To meet its share of the capital costs of AWAC's growth projects in Brazil; and
- To strengthen its balance sheet so that Alumina is capitalised for the requirements of the business, including working capital requirements.

Some funds for these purposes would have been raised through the underwriting of the Dividend Reinvestment Plan in relation to the interim dividend for the half year ended 30 June 2008. However, as a result of making the Entitlement Offer, Alumina decided that the reinvestment of this dividend would not be underwritten.

The Retail Entitlement Offer closed on Friday, 19 September 2008, with approximately 53% of shares available under the offer taken up by eligible retail shareholders.

The remaining 42.1 million shares under the offer were sold to institutional investors under a bookbuild process which closed today. The Retail Bookbuild was well supported, attracting bids from both new and existing institutional investors. The bookbuild achieved a clearing price of \$3.35 per new share, which is 11.7% above the offer price under the Entitlement Offer of \$3.00 per share.

Accordingly, eligible retail shareholders who elected not to take up their entitlements in full, and ineligible retail shareholders who were not entitled to take up new shares, will receive \$0.35 for each entitlement or new share not taken up. This payment is expected to be sent to these shareholders by Tuesday, 7 October 2008.

Alumina Limited CEO, John Bevan commented, "We are pleased with the strong support from our retail shareholders, particularly during this period of market volatility. We are now in a position to fully fund our share of the capital costs for AWAC's growth projects in Brazil and have strengthened our balance sheet in the process".

Settlement of the Retail Entitlement Offer and the Retail Bookbuild is expected to occur on Thursday, 2 October 2008. New shares under the Retail Entitlement Offer and the Retail Bookbuild are expected to be issued on Friday, 3 October 2008 and commence trading on the ASX on Monday, 6 October 2008.

The Entitlement Offer was fully underwritten by Goldman Sachs JBWere Pty Ltd, Macquarie Capital Advisers Limited and UBS AG, Australia Branch.

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Important information

Some statements in this release are forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements also include those containing such words as “anticipate”, “estimates”, “should”, “will”, “expects”, “plans” or similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual outcomes to be different from the forward-looking statements. Important factors that could cause actual results to differ from the forward-looking statements include: (a) material adverse changes in global economic, alumina or aluminium industry conditions and the markets served by AWAC; (b) changes in production and development costs and production levels or to sales agreements; (c) changes in laws or regulations or policies; (d) changes in alumina and aluminium prices and currency exchange rates; (e) constraints on the availability of bauxite; and (f) the other risk factors summarised in Alumina’s Form 20-F for the year ended 31 December 2007. Statements (including forward-looking statements) that reference past trends or activities should not be taken as a representation that such trends or activities will necessarily continue in the future. Alumina Limited does not undertake any obligations to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements which speak only as of the date of the relevant document.

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