

Closure of AWAC Suralco Operations

AWAC to impair gas exploration assets in Western Australia;

No significant fourth quarter financial impact from power outage at Portland Aluminium smelter

Alumina Limited notes and attaches Alcoa Corporation's statement regarding AWAC's decision to close its alumina refinery and bauxite mines in Suriname, which have been fully curtailed since November 2015.

In addition, Alumina Limited notes that AWAC would record in the 2016 fourth quarter \$108 million in USGAAP restructuring-related charges after tax, based on the liability allocation assumed by Alcoa Corporation. Alumina Limited's equity share of the charges would be \$43 million. The impact of the restructuring charges on an IFRS basis is yet to be determined. Alumina Limited also notes that AWAC's share of the cash costs after tax over five years would be \$181 million, with \$29 million to be spent during 2017. Alumina Limited's equity share of cash costs would be \$72 million and \$12 million, respectively.

The extraordinary liability provisions under section 8 of the AWAC Formation Agreement provide for the allocation of certain liabilities relating to acts or omissions occurring prior to AWAC's formation on 1 January 1995 according to a party's preformation ownership interest. Alumina Limited acquired its 40% interest in the Suralco assets from Alcoa on 1 January 1995. The restructuring-related charges and cash costs noted in Alcoa Corporation's statement represent its view of the allocation of these preformation liabilities between Alcoa Corporation and AWAC at the present time. Alumina Limited is currently in the process of reviewing this allocation.

The Afobaka Hydroworks in Suriname will continue to be operated by AWAC, pending completion of agreements with the Government of the Republic of Suriname. None of the above amounts include any contribution from the Afobaka operations.

In addition, Alcoa Corporation's statement noted that in the 2016 fourth quarter that:

- AWAC will record a non-cash charge, after tax for an impairment of an interest in a gas field in Western Australia. Alumina Limited expects that charge will be \$52 million, of which \$21 million would be Alumina Limited's share; and
- The power outage at the Portland Smelter is not expected to have a significant unfavourable impact on the quarter's USGAAP results.

AWAC is a joint venture between Alumina Limited and Alcoa Corporation. AWAC is 60% owned and managed by Alcoa Corporation and 40% owned by Alumina Limited. The AWAC Formation Agreement is available on the Alumina Limited's website.

Forward-looking statements

Neither Alumina nor any other person warrants or guarantees the future performance of Alumina or any return on any investment made in Alumina securities. This document may contain certain forward-looking statements, including forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. The words "anticipate", "aim", "believe", "expect", "project", "estimate", "forecast", "intend", "likely", "should", "could", "will", "may", "target", "plan" and other similar expressions (including indications of "objectives") are intended to identify forward-looking statements. Indications of, and guidance on, future financial position and performance and distributions, and statements regarding Alumina's future developments and the market outlook, are also forward-looking statements.

Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina's Annual Report 2015. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.

This presentation contains certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior year and to assess the operating performance of the business. Where non-IFRS measures are used, definition of the measure, calculation method and/or reconciliation to IFRS financial information is provided as appropriate or can be found in the Alumina Limited's ASX Half-Year Report for the period ended 30 June 2016.



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ALCOA CORPORATION TO PERMANENTLY CLOSE SURALCO REFINERY

Jan 03, 2017

*Company to impair gas exploration assets in Western Australia;
No significant fourth quarter financial impact from power outage at Portland Aluminum smelter*

NEW YORK--(BUSINESS WIRE)-- Alcoa Corporation (NYSE: AA) today announced that it intends to permanently close the Suralco alumina refinery and bauxite mines in Suriname, fully curtailed since November 2015. The Government of the Republic of Suriname and Alcoa continue to develop definitive agreements concerning Suralco's remaining activities in the country and the future of the bauxite industry in Suriname. Pending completion of those agreements, Alcoa will continue to operate the Afobaka hydroelectric facility, which supplied power to the Suralco operations.

"We are working in partnership with the Government of the Republic of Suriname to reach the best possible solution that would enable Suriname to maintain its bauxite industry. Dialogue is ongoing and progress is being made," said Roy Harvey, Chief Executive Officer of Alcoa. "As we enter 2017, we also continue to streamline and strengthen our portfolio to better focus on our businesses and the growth opportunities ahead."

As a result of the permanent closure of the mines and refinery, Alcoa will record in the 2016 fourth quarter:

- \$90 million in restructuring-related charges, after-tax and noncontrolling interest. Alcoa's share of total cash costs associated with the closure, inclusive of prior accruals, are estimated to be \$151 million over five years, with \$24 million to be spent in 2017.

Additionally in the 2016 fourth quarter, Alcoa has announced that it will record a:

- \$31 million non-cash charge, after-tax and noncontrolling interest, to impair Alcoa of Australia Limited's (AofA) interests in a Western Australia gas field. AofA determined that the completed exploration activities do not support the current carrying value.

The combined impact of the charges described above is estimated to be \$0.66 per share.

Alcoa also today announced that the December 1, 2016 power outage at the Portland Aluminum smelter in Victoria, Australia is not expected to have a significant unfavorable impact on fourth quarter results. The smelter is an unincorporated joint venture between AofA (55 percent), CITIC (22.5 percent), and Marubeni Aluminium Australia (22.5 percent).

AofA and Suralco are part of the Alcoa World Alumina and Chemicals (AWAC) group of companies owned 60 percent by Alcoa and 40 percent by Alumina Limited. The AWAC partnership agreements between Alcoa and Alumina Limited provide for the allocation of certain liabilities occurring prior to AWAC's formation on January 1, 1995 according to a party's preformation ownership interest. While Alcoa and Alumina Limited are currently in the process of allocating AWAC's Suralco-related costs and liabilities in accordance with those provisions, the recorded charges represent Alcoa's view of the liabilities at the present time.

On November 1, Alcoa Corporation **announced** it had completed the separation from its parent company Alcoa Inc. (now named Arconic Inc.) and began operating as an independent, publicly-traded company.

About Alcoa Corporation

Alcoa (NYSE: AA) is a global industry leader in bauxite, alumina and aluminum products, with a strong portfolio of value-added cast and rolled products and substantial energy assets. Alcoa is built on a foundation of strong values and operating excellence dating back nearly 130 years to the world-changing discovery that made aluminum an affordable and vital part of modern life. Since inventing the aluminum industry, and throughout our history, our talented Alcoans have followed on with breakthrough innovations and best practices that have led to efficiency, safety, sustainability and stronger communities wherever we operate. Visit us online on www.alcoa.com, follow @Alcoa on Twitter and on Facebook at www.facebook.com/Alcoa.

Dissemination of Company Information

Alcoa Corporation intends to make future announcements regarding company developments and financial performance through its website at www.alcoa.com.

Forward-Looking Statements

This press release contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "believes," "could,"

"estimates," "expects," "forecasts," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words of similar meaning. All statements that reflect the Company's expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Although the Company believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Additional information concerning factors that could cause actual results to differ materially from those projected in the forward-looking statements is contained in our filings with the Securities and Exchange Commission. The Company disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law.

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Source: Alcoa Corporation