

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange



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Public Announcement 2009 – 22AWC

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

A handwritten signature in black ink, appearing to be "S. Foster", written over a horizontal line.

**Stephen Foster
Company Secretary**

4 May 2009

Alumina Limited

ABN 85 004 820 419

GPO Box 5411
Melbourne Vic 3001
Australia

Level 12 IBM Centre
60 City Road
Southbank Vic 3006
Australia

Tel +61 (0)3 8699 2600
Fax +61 (0)3 8699 2699
Email info@aluminalimited.com

Strong institutional support for Alumina's entitlement offer

Alumina Limited ("Alumina") today announced the successful completion of the institutional component of its accelerated pro-rata entitlement offer, which is fully underwritten by Macquarie Capital Advisers Limited and UBS AG, Australia Branch (the "Joint Lead Managers").

The institutional component raised a total of approximately \$737 million. A higher proportion of the register than expected was included in the institutional offer, resulting in the institutional offer amount being greater than previously announced. While the size of the total entitlement offer remains unchanged the proportions between retail and institutional offers have changed.

Alumina has today lodged a Supplementary Prospectus to update the quantum of the Institutional Entitlement Offer proceeds. Alumina will also raise up to approximately \$285 million through the non-underwritten Retail Entitlement Offer.

Under the Entitlement Offer, Eligible Shareholders can participate on a pro-rata basis to their existing holdings by subscribing for 7 new Alumina shares ("New Shares") for every 10 existing Alumina shares at an Offer Price of \$1.00 per share.

The funds raised under the Entitlement Offer will be applied by Alumina to repay bank debt, reduce gearing and strengthen the Company's balance sheet.

The Institutional Entitlement Offer received overwhelming support from institutional shareholders with over 96% of Entitlements offered to Eligible Institutional Shareholders taken up.

Alumina Limited's CEO, John Bevan commented, "We thank our shareholders for their resounding support for this offer and confidence in the underlying quality and resilience of the AWAC business. The completion of this offer positions Alumina to withstand the current uncertainty in global markets and retain upside leverage to an improvement in market conditions".

Shares in Alumina will resume normal trading on ASX today.

Commencement of the Retail Entitlement Offer

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer under the Prospectus. The Retail Entitlement Offer will raise up to approximately \$285m. The Retail Entitlement Offer will open on Wednesday, 6 May 2009 and close at 5:00pm (Melbourne time) on Monday, 25 May 2009.

Eligible Retail Shareholders can choose to take up their entitlements in whole, in part, or not at all. Eligible Retail Shareholders who take up their entitlement in full can also apply for new shares in excess of their Entitlement. However, Eligible Retail Shareholders are not assured of being allocated any new shares in excess of their entitlement.

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A copy of the Prospectus and the Supplementary Prospectus (together referred to in the balance of this announcement as the "Prospectus") and a personalised Entitlement and Acceptance Form will be mailed to Eligible Retail Shareholders. The Retail Entitlement Offer closes on Monday, 25 May 2009 at 5.00pm (Melbourne time). Offers of new Alumina shares under the Retail Entitlement Offer to Eligible Retail Shareholders will be made in, or accompanied by, a copy of the Prospectus. In deciding whether to take up the offer of new Alumina shares, Eligible Retail Shareholders should read the Prospectus carefully (including assessing the risk factors outlined in Section 5 of the original prospectus). Any Eligible Retail Shareholders who wish to acquire new Alumina shares under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will accompany the Prospectus.

Retail Entitlement Offer Timetable

Record date for entitlements under the Entitlement Offer:	7:00pm (Melbourne time) on Tuesday, 5 May 2009
Retail Entitlement Offer period:	Wednesday, 6 May 2009 to Monday, 25 May 2009 (5:00pm Melbourne time)
New shares issued under Retail Entitlement Offer:	Monday, 1 June 2009
New shares issued under Retail Entitlement Offer expected to commence trading on ASX (on a normal settlement basis):	Tuesday, 2 June 2009
Holding statements expected to be dispatched:	Wednesday, 3 June 2009

These dates are indicative only and subject to change. All times and dates refer to Melbourne time. Alumina has the right, in consultation with the Joint Lead Managers, to extend the closing date for the Retail Entitlement Offer, to close the Retail Entitlement Offer early, to withdraw the Entitlement Offer at any time prior to the issue of new shares and/or to accept late applications either generally or in specific cases.

Full details of the Entitlement Offer are set out in the original prospectus which was lodged with ASIC on Thursday, 30 April 2009 and the supplementary prospectus which was lodged with ASIC today 4 May 2009. The Prospectus will be sent to Eligible Retail Shareholders and be made available on Alumina's website. Any Eligible Retail Shareholder who wishes to acquire new Alumina shares under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will be in or will accompany the Prospectus, and should consider the Prospectus carefully and in full (including assessing the risk factors outlined in Section 5 of the original prospectus) in deciding whether to subscribe for new Alumina shares.

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The Entitlement Offer is not being made in the United States (other than to dealers or other professional fiduciaries organised, incorporated or (if an individual) resident in the United States acting for an account (other than an estate or trust) held for the benefit or account of persons that are not US Persons for which it has sole investment discretion (within the meaning of Rule 902(k)(2)(i) in Regulation S under the U.S. Securities Act of 1933, as amended (“Securities Act”)) (“Eligible US Fund Managers”)) or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S under the Securities Act) (“US Persons”). In addition, Alumina is not registered as an ‘investment company’ under the U.S. Investment Company Act of 1940, as amended. Accordingly, Eligible Shareholders (including nominees) who are not Eligible US Fund Managers who hold ordinary shares of Alumina on behalf of persons in the United States or that are, or are acting for the account or benefit of, US Persons may not take up their entitlements or subscribe for new shares.

Shareholder Enquiries

Retail shareholders who have any queries regarding the Entitlement Offer or who do not receive the Prospectus by Friday 15 May 2009 are encouraged to contact the Alumina Limited Shareholder Information Line on 1300 556 050 from within Australia or on +61 3 9415 4027 from elsewhere, between 8.30am and 5.00pm (Melbourne time). Full details of the Entitlement Offer are set out in the Prospectus. Copies of the Prospectus are also available for download by Eligible Retail Shareholders at the Alumina website (www.aluminalimited.com). Any retail shareholder entitled to participate in the Retail Entitlement Offer who wishes to acquire new shares should read the Prospectus carefully and in full (including assessing the risk factors outlined in Section 5 of the original prospectus) and complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will be in, or will accompany, the Prospectus.

For investor enquiries:

John Bevan
Chief Executive Officer
Phone: +61 3 8699 2601
john.bevan@aluminalimited.com

For media enquiries:

Nerida Mossop
Hinton and Associates
Phone: +61 3 9600 1979
Mobile: +61 437 361 433

Judith Downes
Chief Financial Officer
Phone: +61 3 8699 2607
judith.downes@aluminalimited.com

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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"))("U.S. Persons"). The securities to be issued in the Entitlement Offer have not and will not be registered under the U.S. Securities Act. Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons unless the securities have been registered under the U.S. Securities Act or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. Any public offering of securities in the United States will be made by means of a prospectus that contains detailed information about Alumina and the management of its business, as well as financial statements.

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 risk factors and other factors summarised in Alumina's June 2008 Half-Yearly ASX Report filed on Form 6-K and Alumina's Form 20-F for the year ended 31 December 2007. 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.