

Dear Shareholder,

SPECIAL OPPORTUNITY TO BUY OR SELL ALUMINA LIMITED SHARES

I am very pleased to offer you the opportunity to participate in the share sale and top-up facility (the "Facility") that has been specifically established for eligible Alumina shareholders.

As a shareholder with 1,000 Alumina shares or less, the Alumina Board recognises that transaction costs and inconvenience involved may represent an impediment to selling your shares or acquiring further shares. As a result, we have established the Facility as a convenient and relatively inexpensive way for you to sell or increase your holding, without having to directly engage a stockbroker. The Facility also assists in the Company's program to reduce its administrative costs, in particular shareholder-related costs which are disproportionate to the level of investment.

Facility Fees

If you elect to take advantage of the Facility to buy or sell Alumina shares, you will be charged a fee of A\$19 to do so. The Company will pay all other brokerage and handling charges. These arrangements represent a significant discount to standard industry brokerage rates and compare favourably to the lowest discount brokerage rates on offer.

Your Options

The Facility is entirely voluntary. You do not need to buy or sell any Alumina shares. It is entirely your decision.

1. IF YOU DECIDE TO SELL **ALL** YOUR ALUMINA SHARES:

- Please complete and sign the **pink** Sale Instruction Form enclosed, and return it in the enclosed envelope so that it reaches Computershare by 5.00pm (Melbourne time) on Tuesday, 16 December 2003. **Please note that if you return this form, all of your Alumina shares will be sold under the Facility.**
- Shares to be sold under the Facility will be aggregated in batches and sold by E.L. & C. Baillieu as your stockbroker. You will receive market value for your shares, determined on the basis of the volume weighted average price for Alumina shares sold under the Facility in the same batch as your shares.
- The proceeds from the sale, less the A\$19 fee, will be sent to you in A\$ by cheque within 10 business days of your shares being sold.

2. IF YOU DECIDE TO BUY ADDITIONAL ALUMINA SHARES:

- Please complete and sign the enclosed **blue** Buy Instruction Form, and return it in the enclosed envelope, together with a cheque in Australian dollars made payable to "Alumina Limited – Facility Account" for payment of the nominated amount on the Form (either A\$1,000, A\$2,000 or A\$4,000), so that it reaches Computershare by 5.00pm (Melbourne time) on Tuesday, 16 December 2003.
- Shares to be purchased under the Facility will be purchased by E.L. & C. Baillieu as your stockbroker, and may be purchased in batches. The number of Alumina shares you receive will be determined on the basis of the amount nominated in your Buy Instruction Form less the A\$19 fee, divided by the volume weighted average price for Alumina shares purchased under the Facility in the same batch as your shares. Fractions of shares will be rounded down.

- Details of the number and price of the shares purchased will be sent to you within 10 business days of those shares being purchased.

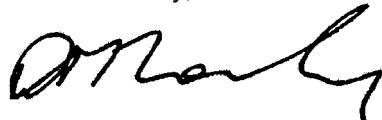
The Facility opens on 11 November 2003 and, subject to being extended or shortened in accordance with the terms and conditions of the Facility, will close on 16 December 2003.

Alumina does not make any recommendation or give any advice to you regarding whether to participate in the Facility. You should read the enclosed terms and conditions of the Facility on the reverse side of each instruction form carefully. If you are in any doubt about whether to participate, please consult your own professional adviser.

In the future, Alumina may seek to arrange the divestment of any single shareholding less than a marketable parcel (which is currently approximately 85 shares) in accordance with our Constitution and the ASX listing rules, which allow you to veto any such action, to reduce the administrative costs of operating our share register.

If you have any questions about the Facility, please see the Questions and Answers posted on Alumina's website (www.aluminalimited.com) or contact Computershare on 1300 556 050 (for callers in Australia) or on +61 3 9615 5970 (for callers in New Zealand).

Yours sincerely,



Don Morley
Chairman
Alumina Limited