

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange



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Public Announcement 2008– 39AWC

Please find attached an Appendix 3B provided in relation to the Company's Pro Rata Entitlement Offer.

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

Stephen Foster
Company Secretary

25 August 2008

Alumina Limited

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Alumina Limited (*Alumina*)

ABN

85 004 820 419

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>303,397,361 fully paid ordinary shares (<i>New Shares</i>) pursuant to the Entitlement Offer (as described in the draft prospectus lodged with ASX on 25 August 2008 (the <i>Pathfinder Document</i>)).</p> <p>The exact number of New Shares to be issued pursuant to the Entitlement Offer in aggregate is, subject to the effects of rounding, known as at the date of this Appendix 3B (see above).</p> <p>However, the exact breakdown of fully paid ordinary shares to be issued pursuant to:</p> <ul style="list-style-type: none"> • the Institutional Entitlement Offer and the Institutional Entitlement Bookbuild (as both described in the Pathfinder Document); and • the Retail Entitlement Offer and the Retail Entitlement Bookbuild (as both described in the Pathfinder Document), <p>is still to be finalised.</p> |

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>The principal terms of the New Shares are as for existing fully paid ordinary shares, as more fully described in Section 8.4 of the Pathfinder Document.</p>				
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the New Shares will rank equally with existing fully paid ordinary shares from the date of allotment, except that the New Shares will not participate in the interim dividend declared for the year ending 31 December 2008, for which the record date is 23 September 2008. After that record date, the New Shares will rank equally in all respects with existing fully paid ordinary shares.</p>				
<p>5 Issue price or consideration</p>	<p>\$3.00 per New Share under both the Institutional Entitlement Offer and the Retail Entitlement Offer.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The net proceeds of 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 increased working capital requirements.</p> <p>See Section 1.3 of the Pathfinder Document for a more detailed description.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>10 September 2008 under the Institutional Entitlement Offer and the Institutional Entitlement Bookbuild.</p> <p>3 October 2008 under the Retail Entitlement Offer and the Retail Entitlement Bookbuild.</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="699 1576 1082 1615">Number</th> <th data-bbox="1082 1576 1385 1615">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 1615 1082 1953"> <p>After the Entitlement Offer there will be 1,456,307,335 fully paid ordinary shares on issue (based on the number of fully paid ordinary shares on issue at the date of this Appendix 3B and the number of New Shares to be issued under the Entitlement Offer, subject to the effects of rounding).</p> </td> <td data-bbox="1082 1615 1385 1953"> <p>Fully paid ordinary shares</p> </td> </tr> </tbody> </table>	Number	+Class	<p>After the Entitlement Offer there will be 1,456,307,335 fully paid ordinary shares on issue (based on the number of fully paid ordinary shares on issue at the date of this Appendix 3B and the number of New Shares to be issued under the Entitlement Offer, subject to the effects of rounding).</p>	<p>Fully paid ordinary shares</p>
Number	+Class				
<p>After the Entitlement Offer there will be 1,456,307,335 fully paid ordinary shares on issue (based on the number of fully paid ordinary shares on issue at the date of this Appendix 3B and the number of New Shares to be issued under the Entitlement Offer, subject to the effects of rounding).</p>	<p>Fully paid ordinary shares</p>				

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	US\$350,000,000 in principal amount.	2.0% Guaranteed Convertible Bonds due 2013 issued by Alumina Finance Limited (ACN 130 920 562) and guaranteed by, and convertible into fully paid ordinary shares of, Alumina, as described in the Offering Circular dated 14 May 2008 issued by Alumina Finance Limited and Alumina.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change, except that the New Shares will not participate in the interim dividend declared for the year ending 31 December 2008, for which the record date is 23 September 2008.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Entitlements will not be tradable on ASX. However, those shareholders who do not take their entitlements may receive a cash payment in respect of the shares they do not subscribe for under their entitlements. Refer to Sections 1.6.2 and 1.7.2 of the Pathfinder Document.
13	Ratio in which the +securities will be offered	5 New Shares for every 19 fully paid ordinary shares held as at the record date (refer to item 15 of this Appendix 3B).
14	+Class of +securities to which the offer relates	Fully paid ordinary shares.
15	+Record date to determine entitlements	7.00pm (AEST) on 29 August 2008.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer they will be rounded up to the next whole number of New Shares.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries except Australia and New Zealand.

19	Closing date for receipt of acceptances or renunciations	4.00pm (AEST) on 27 August 2008 under the Institutional Entitlement Offer. 5.00pm (AEST) on 19 September 2008 under the Retail Entitlement Offer.
20	Names of any underwriters	Goldman Sachs JBWere Pty Limited (underwriting proportion = one third); Macquarie Capital Advisers Limited (underwriting proportion = one third); and UBS AG, Australia Branch (underwriting proportion = one third).
21	Amount of any underwriting fee or commission	The Underwriters will be paid an underwriting fee in equal shares of 1.8% of the gross proceeds of the Entitlement Offer, and a management and arranging fee in equal shares of 0.6% of the gross proceeds of the Entitlement Offer.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	By 4 September 2008
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?

N/A

33 ⁺Despatch date

Refer to item 7 of this Appendix 3B.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 25 August 2008
(Company secretary)

Print name: Stephen Foster

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