

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange Limited



Public Announcement 2005 – 15AWC
Jamalco Alumina Refinery Expansion

Attached is a copy of a statement by Alcoa Inc. concerning Alcoa World Alumina and Chemicals (AWAC) and the Government of Jamaica's plans to expand the Jamalco alumina refinery in Clarendon, Jamaica. Alumina Limited's and Alcoa's respective Boards of Directors have approved plans to expand the Jamalco refinery by 1.5 million metric tonnes per year (mtpy). The expansion will more than double the refinery's total capacity to approximately 2.8 million mtpy, with the cost expected to be approximately US\$1.2 billion. In addition, AWAC's ownership in the refinery will move from 50% to approximately 77%, with the Government of Jamaica continuing to own the remaining portion.

"This expansion of the Jamalco refinery is a key element in AWAC's plans to expand its worldwide alumina refinery network with additional long life, low cost production to meet growth in global customer demand", said John Marlay, Alumina Limited's CEO.

AWAC is a global bauxite and alumina joint venture between Alumina Limited and Alcoa.

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

Stephen Foster
Company Secretary

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Alcoa, Gov. of Jamaica To Expand Jamalco Alumina Refinery, Doubling Its Capacity; Investment To Come When Agreement on Natural Gas for Jamaica Finalized

NEW YORK--(BUSINESS WIRE)--July 20, 2005--Alcoa (NYSE:AA) today announced that its Board of Directors has approved plans for the company's Alcoa World Alumina and Chemicals (AWAC) affiliate to join with the Government of Jamaica to expand the Jamalco alumina refinery in Clarendon, Jamaica. The expansion will add 1.5 million metric tons per year (mtpy) of production to Jamalco, more than doubling the refinery's capacity to approximately 2.8 million mtpy. The cost for the 1.5 million mtpy expansion is expected to be approximately \$1.2 billion which includes costs for a power station, as well as high hurricane wind and earthquake requirements for construction in Jamaica.

The first phase of this expansion, which will add 150,000 mtpy, was announced in May and should be completed by the end of 2006. The second phase, which adds approximately 1.35 million mtpy, is expected to be completed by the end of 2007. As part of this expansion project, AWAC's ownership in Jamalco will move from 50 percent to approximately 77 percent. The government of Jamaica will continue to own the remaining portion of Jamalco.

Prior to the execution of the expansion, it is expected that agreements will be finalized to bring natural gas to Jamaica and the refinery, providing cleaner and less expensive power, as well as the sale of excess power into the Jamaican market. A revision of the joint venture agreements between AWAC and the Government of Jamaica is also envisaged prior to the execution of the expansion.

"Over the past few years, Jamalco has earned the right to expand," said Bernt Reitan, President of Alcoa Primary Products. "Our strong partnership with the Government of Jamaica helps make this expansion among the best options in the world and should enable us to lower operating costs as we switch fuel sources, while also contributing to better environmental performance," said Reitan.

"This expansion is an example of what is possible when our employees, the community, government and management all work together. It will help further lower the operating costs for the entire facility and solidify its place among the world's most competitive refineries," added Reitan.

The groundwork for expansion at Jamalco was laid when the Jamaican government took action to remove a nearly 30-year-old levy on bauxite to help encourage additional investment in the country's alumina refineries. Since that levy was removed and AWAC invested in an initial expansion, Jamalco's costs have been reduced significantly, making it among the world's lowest-cost refineries.