

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange



Public Announcement 2010 – 29AWC

Alumina Limited announces the results of the tender offer by its wholly owned subsidiary, Alumina Finance Limited, for its outstanding 2% Guaranteed Convertible Bonds due 2013 ISIN XS0364556919 ("Convertible Bonds") which have a maturity date of 16 May 2013. Alumina Finance Limited will repurchase and cancel validly tendered Convertible Bonds with face value of US\$128.42 million at 100% of their principal amount, together with accrued and unpaid interest. Settlement of the purchase of Convertible Bonds tendered pursuant to the Offer is expected to occur on 21 December in accordance with the details set out in the Tender Offer Memorandum dated 2 December 2010. Alumina Limited expects to announce shortly thereafter that settlement has taken place and the aggregate nominal amount of Convertible Bonds remaining outstanding following completion of the Offer (which is expected to be US\$167.58 million Convertible Bonds). The continuing Bondholders have the right to require Alumina Finance Limited to redeem all or some of their Convertible Bonds on 16 May 2011 at 100% of their principal amount, together with accrued and unpaid interest.

As disclosed previously, the repurchase of the bonds in 2010 will bring forward a non-cash charge to the Company's 2010 underlying earnings (representing the unwind of the discount in the liability) of US\$1.3 million.

This announcement, including the tender offer memorandum, is not for distribution or release in the United States or any other jurisdiction where its distribution or release would be unlawful. Definitions in the Tender Offer Memorandum dated 2 December 2010 also apply in this announcement unless the context requires otherwise.

For investor enquiries:

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

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

For Bondholder enquiries:

Charles Smitheram
Treasurer
Phone: +61 3 8699 2613
Mobile: +61 412 340 047

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

Stephen Foster
Company Secretary

20 December 2010

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