

To: The Manager
Announcements
Company Announcements Office
Australian Securities Exchange



Public Announcement 2011– 19AWC

CONVERTIBLE BONDS – BONDHOLDERS PUT OPTION SETTLEMENT AND CLEAN-UP REDEMPTION NOTICE

Alumina Limited announces the settlement of the bonds tendered pursuant to the Bondholders Put Option by the Bondholders of the 2% Guaranteed Convertible Bonds due 2013 ISIN XS0364556919 (“Convertible Bonds”) issued by its wholly owned subsidiary, Alumina Finance Limited, which have a maturity date of 16 May 2013. On and from 17 March 2011 to 16 April 2011 Bondholders were able to exercise the option 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.

Bondholders with a face value of US\$150.85 million issued a Put Exercise Notice during the exercise period. These US\$150.85 million of Convertible Bonds were redeemed and cancelled on 16 May 2011. There are US\$16.73 million of the Convertible Bonds outstanding after this cancellation.

As less than 10 per cent of the aggregate principal amount of Convertible Bonds originally issued remains outstanding, pursuant to paragraph 7.2(b) of the Conditions, the Issuer has elected to exercise its right to issue a Clean-Up Redemption Notice in respect of all remaining outstanding Convertible Bonds. On the Clean-Up Redemption Date (24 June 2011), the Issuer will redeem all outstanding Convertible Bonds pursuant to the Clean-Up Redemption Notice at 100 per cent of their principal amount, together with accrued and unpaid interest up to, but excluding the Clean-Up Redemption Date.

A copy of the Clean-Up Redemption Notice is attached.

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

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

Stephen Foster
Company Secretary
17 May 2011

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

CLEAN-UP REDEMPTION NOTICE

**ALUMINA FINANCE LIMITED
US\$350,000,000 Guaranteed Convertible Bonds due 2013
Convertible into Shares in Alumina Limited**

To: The Bank of New York Mellon (as successor to The Bank of New York,
London Branch)
40th Floor, One Canada Square
London E14 5AL
United Kingdom
Attention: Global Corporate Trust
Fax: +44 207964 6369

Copy: The Bank of New York Mellon
One Temasek Avenue
02-01 Millenia Tower
Singapore 039192
Attention: Global Corporate Trust
Fax: +65 6883 0338

Date: 17 May 2011

Dear Sirs,

We refer to the US\$350,000,000 Guaranteed Convertible Bonds due 16 May 2013 issued by Alumina Finance Limited (the **Issuer**) (ISIN: XS0364556919, Common Code 036455691).

We refer to the Convertible Bonds Trust Deed dated 16 May 2008 (the **Trust Deed**) between the Issuer, Alumina Limited as Guarantor and the Bank of New York Mellon as Trustee (as successor entity to The Bank of New York, London Branch). Capitalised terms used in this certificate and not otherwise defined herein shall have the meanings given to them in the Trust Deed.

We confirm that as at the date of this notice, the aggregate principal amount of the Bonds currently outstanding is less than 10 per cent of the aggregate principal amount originally issued.

Pursuant to paragraph 7.2(b) of the Conditions, the Issuer hereby gives a Clean-Up Redemption Notice in respect of all outstanding Bonds. On the Clean-Up Redemption Date (specified below), the Issuer will redeem all outstanding Bonds pursuant to this Clean-Up Redemption Notice at 100 per cent of their principal amount, together with accrued and unpaid interest up to, but excluding the Clean-Up Redemption Date.

For the purposes of this Clean-Up Redemption Notice:

- (i) the Clean-Up Redemption Date is 24 June 2011;
- (ii) as at 17 May 2011:
 - a. the Conversion Price is A\$6.5668;
 - b. the aggregate principal amount of the Bonds outstanding is US\$16.73 million; and
 - c. the VWAP of a Share on 16 May 2011 was A\$2.32;
- (iii) the last day on which Conversion Rights may be exercised by Bondholders is 10 June 2011.

You are requested to forward this notice to the Conversion Agent and Paying Agent and deliver a copy to Bondholders by delivery through Euroclear and Clearstream.

Should you have any questions in relation to the matters contained in this notice, please contact Charles Smitheram, Treasurer, on +61 3 8699 2613.

Regards
Alumina Finance Limited



Authorised Officer

Name: Stephen Foster



Authorised Officer

Name: Judith Downes