ALUMINA LIMITED

ASX Announcement 13 May 2015

Presentation at CRU Conference

Attached is a copy of a presentation prepared by Mr Andrew Wood, Group Executive Strategy & Development, for the CRU World Aluminium Conference held in Dubai UAE on 12 May 2015.

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Bauxite and Alumina: Middle East and Asia

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AWAC JV: world's largest bauxite and alumina producer

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- AWAC [1] JV has 7 bauxite mines and 8 refineries
- In 2014, JV produced:
  - 15.9 million tonnes of alumina
  - 40 million tonnes of bauxite (with equity production of a further 7 million tonnes), selling 1.6 million tonnes to third parties
  - 267,000 tonnes of aluminium

(1) *AWAC is a joint venture between Alumina Limited (40%) and Alcoa Inc. (60%), managed by Alcoa*

New Saudi refinery producing alumina

4 million tonnes p.a. bauxite mine and 1.8 million tonnes p.a. alumina refinery

- AWAC has 25.1% interest in Al Ba'itha mine and Ras Al Khair refinery, Ma'aden holds 74.9%
- Alumina refinery commenced operating at the end of 2014
- Expected to produce around 1 million t alumina in 2015 as it ramps up

Expected to be one of the world's lowest cash cost refineries

Bauxite and alumina snapshot

- World demand for alumina continues to grow strongly
- Oversupply of alumina now moving towards balance
- Third party alumina pricing basis shift to alumina price index
- Malaysia providing current relief to China on source and price of bauxite – but long term bauxite supply challenges remain
- Ras Al Khair first refinery in Middle East – more to come?
- Mixed progress on Indonesian and Indian refinery projects
- Significant mines and refineries outside China still needed in long term – risk of delays to capacity coming on
- Trend to alumina consolidation and bauxite fragmentation

Strong demand for metallurgical alumina

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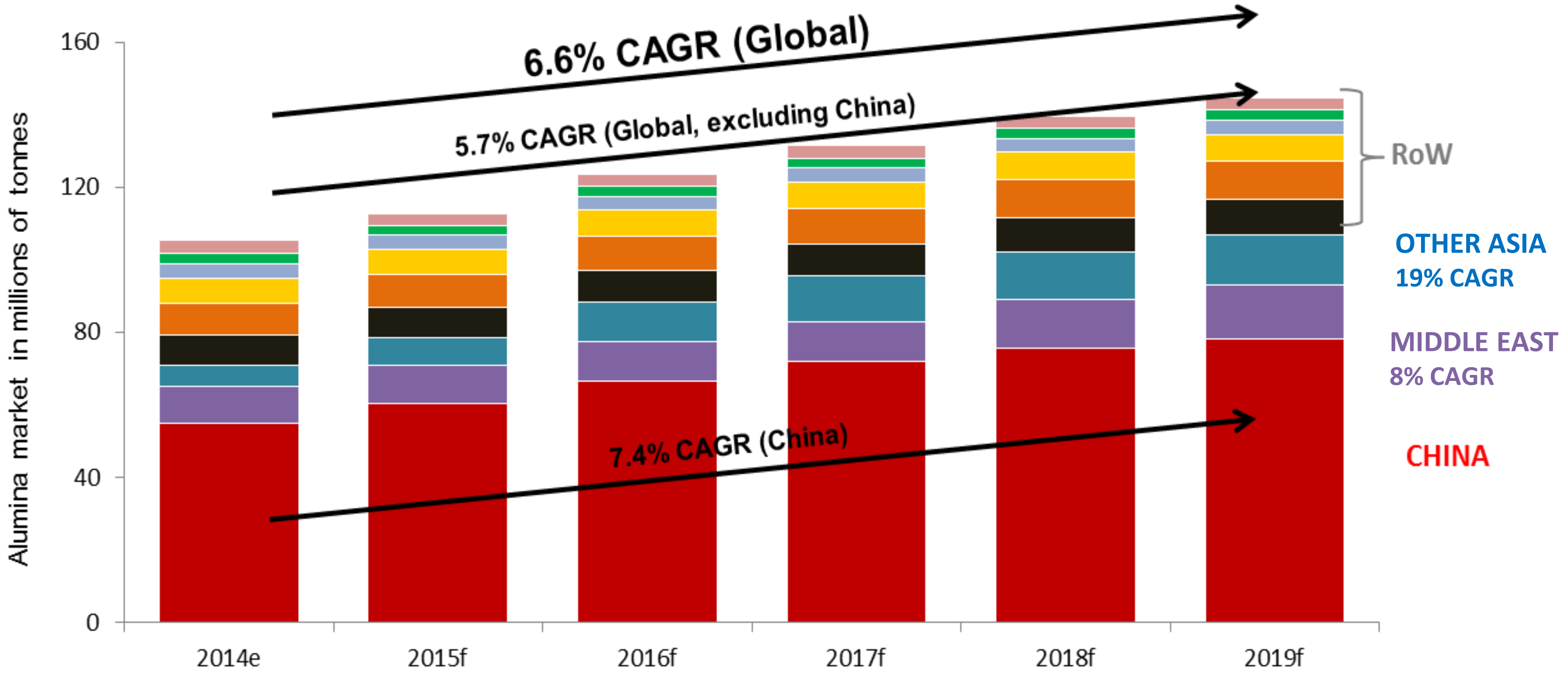
Strong forecast aluminium demand growth drives alumina and bauxite demand



Growth requires additional ~98m tonnes per annum of bauxite by 2019[(1)]

Source: Global Alumina demand, Harbor Aluminium, April 2015

(1) Alumina Limited estimate based on average 2.5 tonnes of bauxite per tonne of alumina

Outlook for near market balance for alumina – modest shortfalls expected

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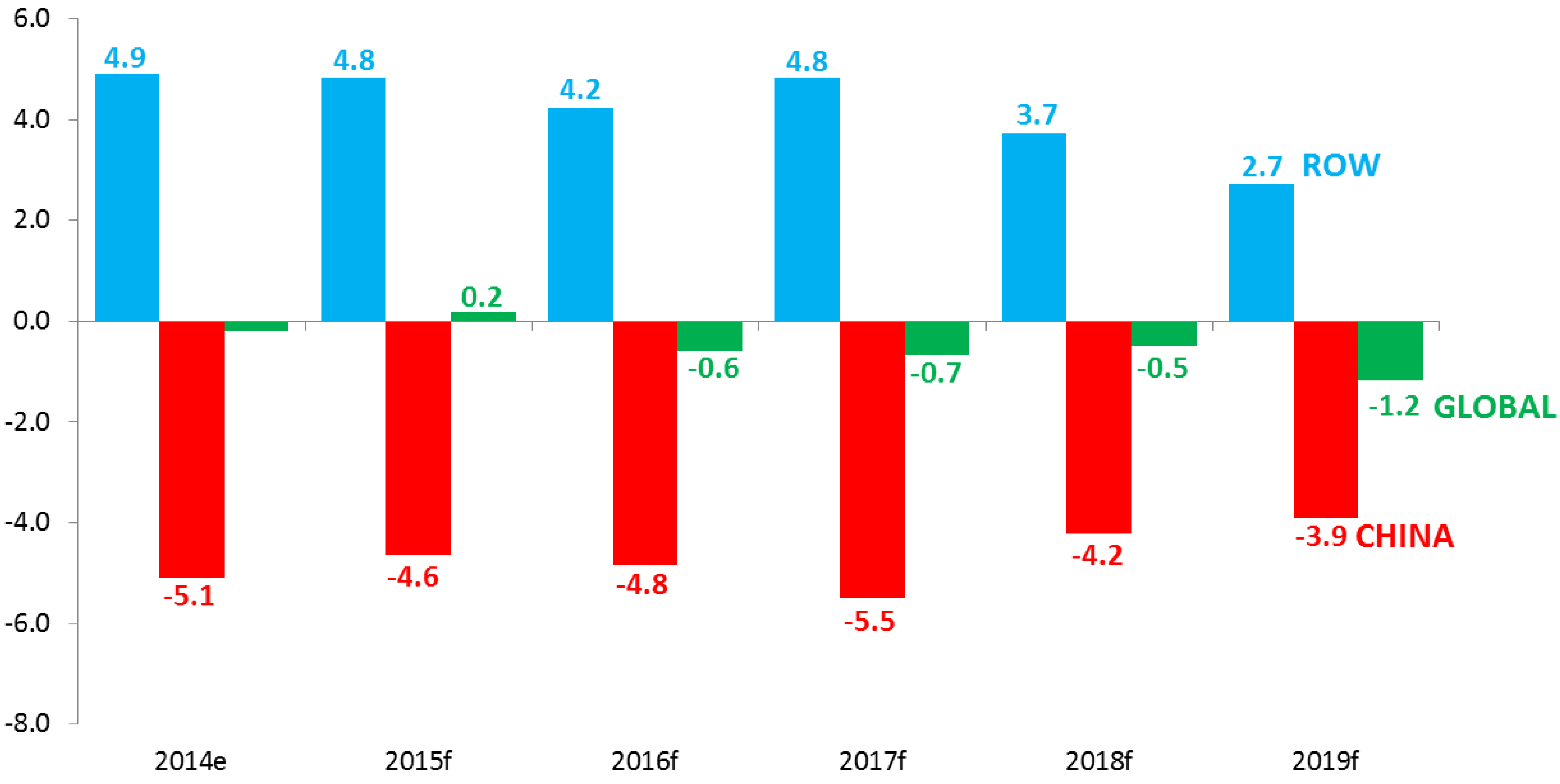
China, RoW and global metallurgical alumina market balance forecast
(million tonnes)



Source: Harbor Aluminium, April 2015

New alumina capacity planned – delay risk for some projects outside China

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Upcoming Alumina projects – at least 8 million t ex-China projects risk delay

REGION	COUNTRY	COMPANY	LOCATION	2015	2016	2017	2018	2019	TYPE	COMMENTS	BAUXITE INTEGRATED
Latin America	Brazil	Norsk Hydro	Alumina do Para				1,860		Greenfield	The 1.86mt project has been shelved by the company awaiting better "market conditions".	YES
	Brazil	Votorantim Group	Alumina Rondon			3,000			Greenfield	Passed the first stage of the environmental licensing. Looking for JV partners.	YES
Middle East	Saudi Arabia	Alcoa-Ma'aden	Ras Al Khair	1,800					Greenfield	First alumina produced in Q4 2014. Ramping up in 2015.	YES
	UAE	Emirates Global Aluminum	KIZAD, Al Taweelah			2,000			Greenfield	Project feasibility studies completed. First phase of 2.0 million tpa planned to be ready by 2017. Phase II could double capacity to 4.0 million tpy.	NO
Asia ex. China	India	Nalco	Damanjodi		1,000				Brownfield	Approval for mining lease received from Govt of Odisha. DPR under study	YES
		Anrak	Anrak Alumina		1,500				Greenfield	Commissioning has been delayed several times amid financial and bauxite supply issues and not expected to start production until 2016 at the earliest.	YES
		Vedanta	Lanjigarh				2,035		Brownfield	The expansion is on hold due to inability to secure long term bauxite supply.	YES
	Indonesia	PT Antam	Mempawah, West Kalimantan						Greenfield	The 1.2 million tpa project was reported being cancelled as it only received half of the planned state capital injection of funds. The project was planned to start production in 2016.	YES
		Hongqiao Well Harvest Winning Alumina	Ketapang, West Kalimatan	1,000		1,000			Greenfield	First 1million tpa phase scheduled to start by the end of 2015 . Second 1million tpa phase scheduled for 2017.	YES
China	China	Various Brownfield	Various	1,000	800	600	0	0	Brownfield		YES
		Various Greenfield	Various	5,000	4,400	0	7,200	800	Greenfield		YES
			TOTAL WORLD	**8,800**	**7,700**	**6,600**	**11,095**	**800**			
			TOTAL CHINA	**6,000**	**5,200**	**600**	**7,200**	**800**			
			TOTAL ROW	**2,800**	**2,500**	**6,000**	**3,895**	**0**			

Source: Harbor Aluminium, April 2015

China alumina production growth and forecast

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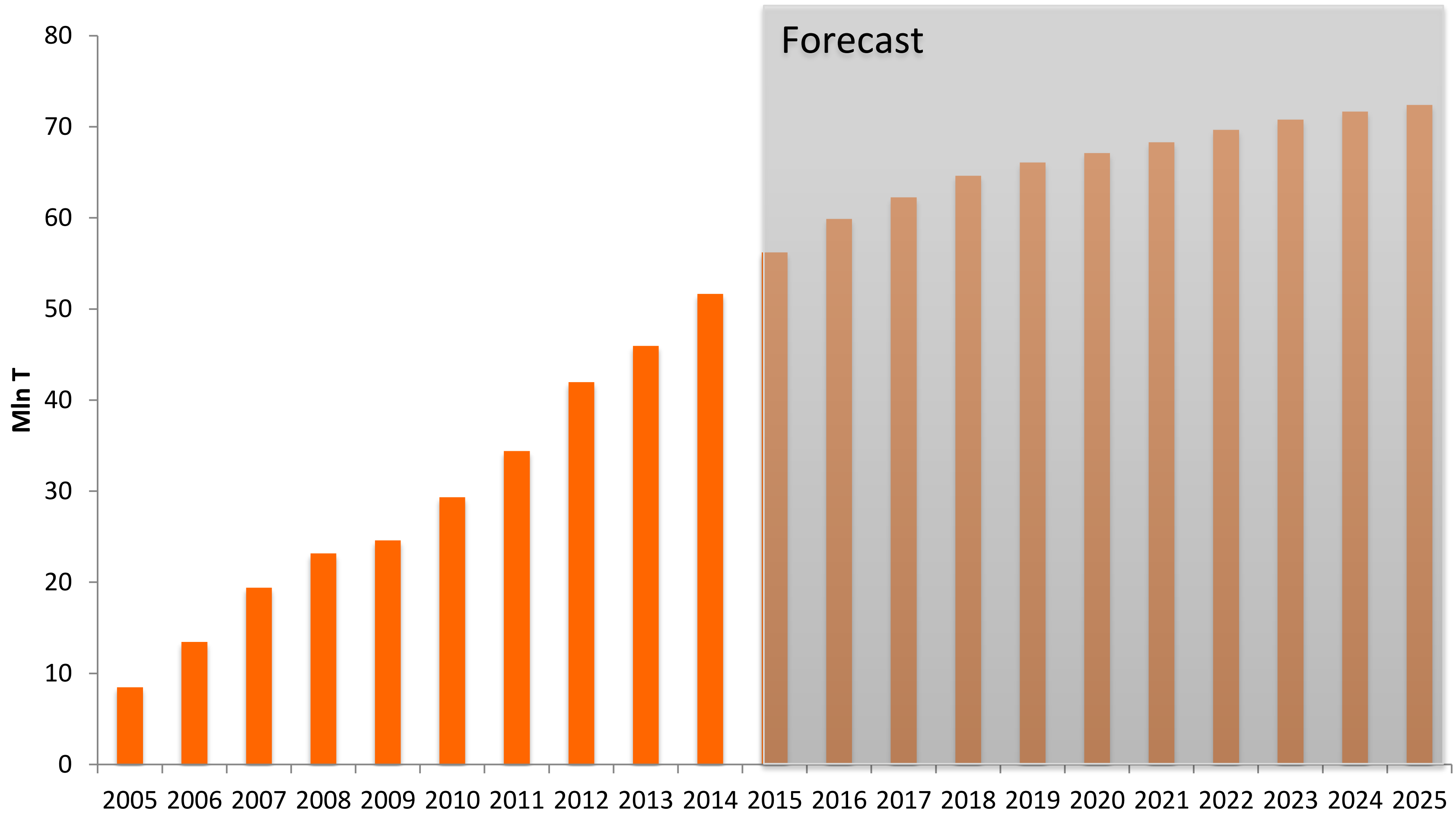
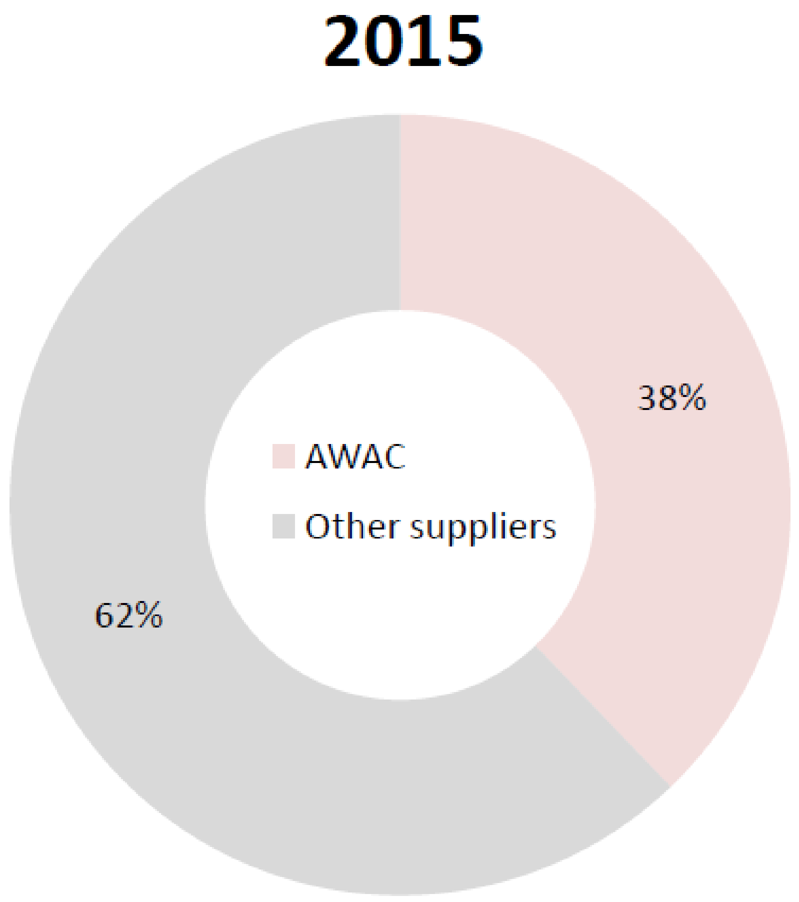


It is estimated China will be producing 72 million tonnes of alumina by 2025
Growth expected to level out after 2025

Source: CM Group, May 2015

AWAC undergoing major shift from LME-linked alumina contracts to index based: about 75% of shipments in 2015 expected to be on API/spot basis

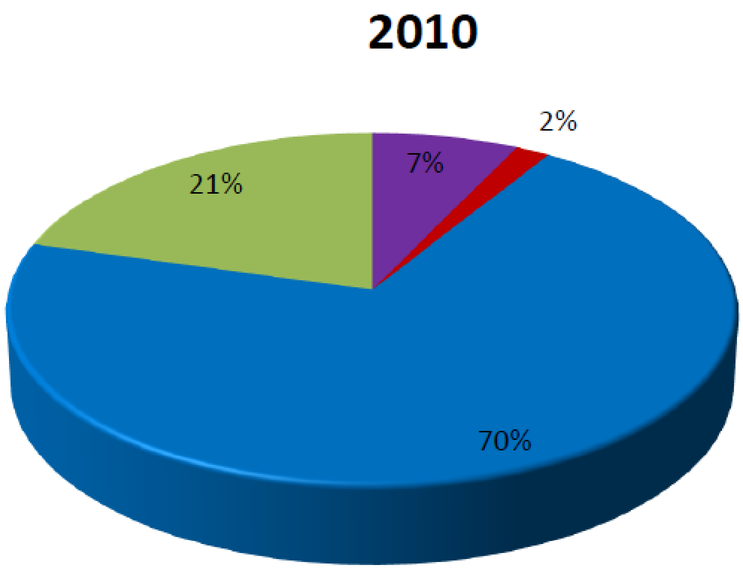
AWAC's share of world ex. China's alumina third party supply is expected to be about 38.0% in 2015.



Note: API refers to alumina price index

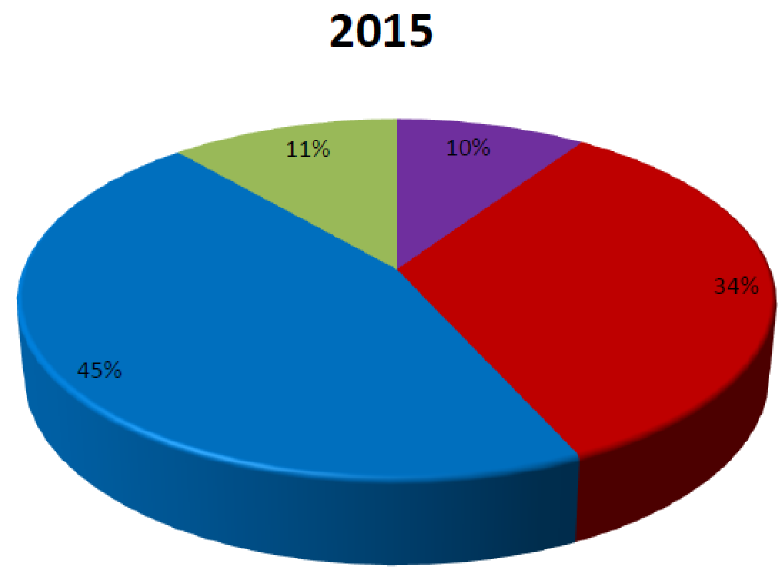
Source: CRU, March 2015

2015: 34% of world ex China smelters expected to buy alumina based on index price, with 11% on spot



Alumina consumed by world ex. China smelters in 2010 = 48.2m tonnes

Spot based
Index linked
LME linked
Other



Alumina expected to be consumed by world ex. China smelters in 2015 = 52.2m tonnes

Source: CRU, March 2015

Short term drivers on alumina market

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Jan to April 2014:
- China smelter cuts, alumina prices down
- Atlantic surplus into China, Middle East
- SHFE aluminium prices declined

May to August 2014:
- Alumina long globally
- Low LME/SHFE prices weaken demand
- Qingdao port trade probe raises Chinese cost of credit, weakens import demands
- High port stocks in China
- Traders go long, expect Q4 restocking
- LME above $2,000 strengthens demand
- Smelter restarts in southern China in July

Sept 2014:

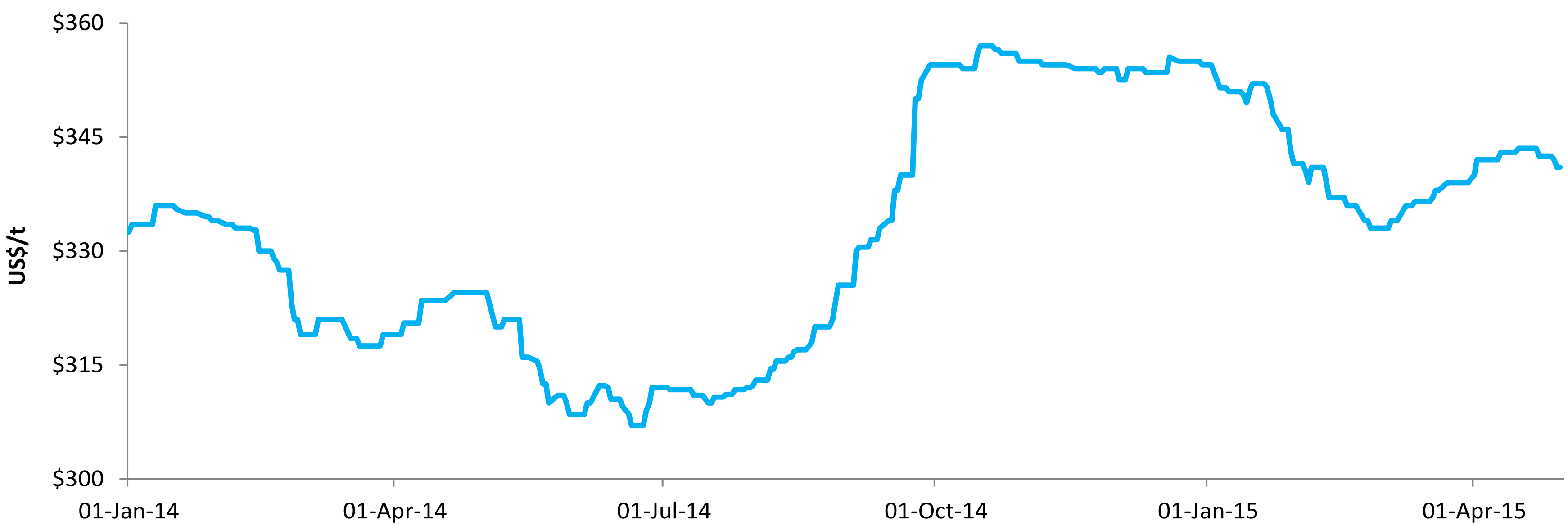
Higher Chinese price supports Aust price:
- higher Chinese cost imported bauxite
- Henan supply disruption (red mud dam)
- new smelting and idled re-starts and
- Xinjiang stocking

Q4 2014:
- Chinese smelting growth fuels demand
- Aust alumina tracks Chinese prices, gains modest premium
- Depressed freight rates support imports
- Overcapacity reduces SHFE prices
- LME plunges
- Atlantic ships surplus alumina to Asia

Jan 2015:
- Low China smelter margins, credit curbs, struggle to buy alumina
- Depressed oil prices ease alumina, aluminium production costs
- Aust-Chinese domestic prices comparable in import parity terms
- Global alumina stock-build
- Poor smelting margins in China, credit and cash constraints

Feb 2015
- Australian-Chinese comparable in import parity
- Australia falls below China domestic

Mar, Apr 2015
- Chinese interest in imports strengthens due to:
  - upswing in domestic aluminum prices
  - notable appreciation of yuan against dollar
  - domestic refiners attempts to raise local prices
- Few uncommitted Australian units of late (suppliers directing them to term contract buyers)
- India unplanned cuts (Hindalco, Nalco) create shorts
- Weak Chinese domestic market, Western longs cushion bullish impact of Indian cuts (alumina price strengthens nonetheless)
- Australian premium to Chinese domestic prices
- Nalco problems pass, market downward corrects



Source: Platts, May 2015

China imported bauxite – Atlantic sources at much higher landed prices

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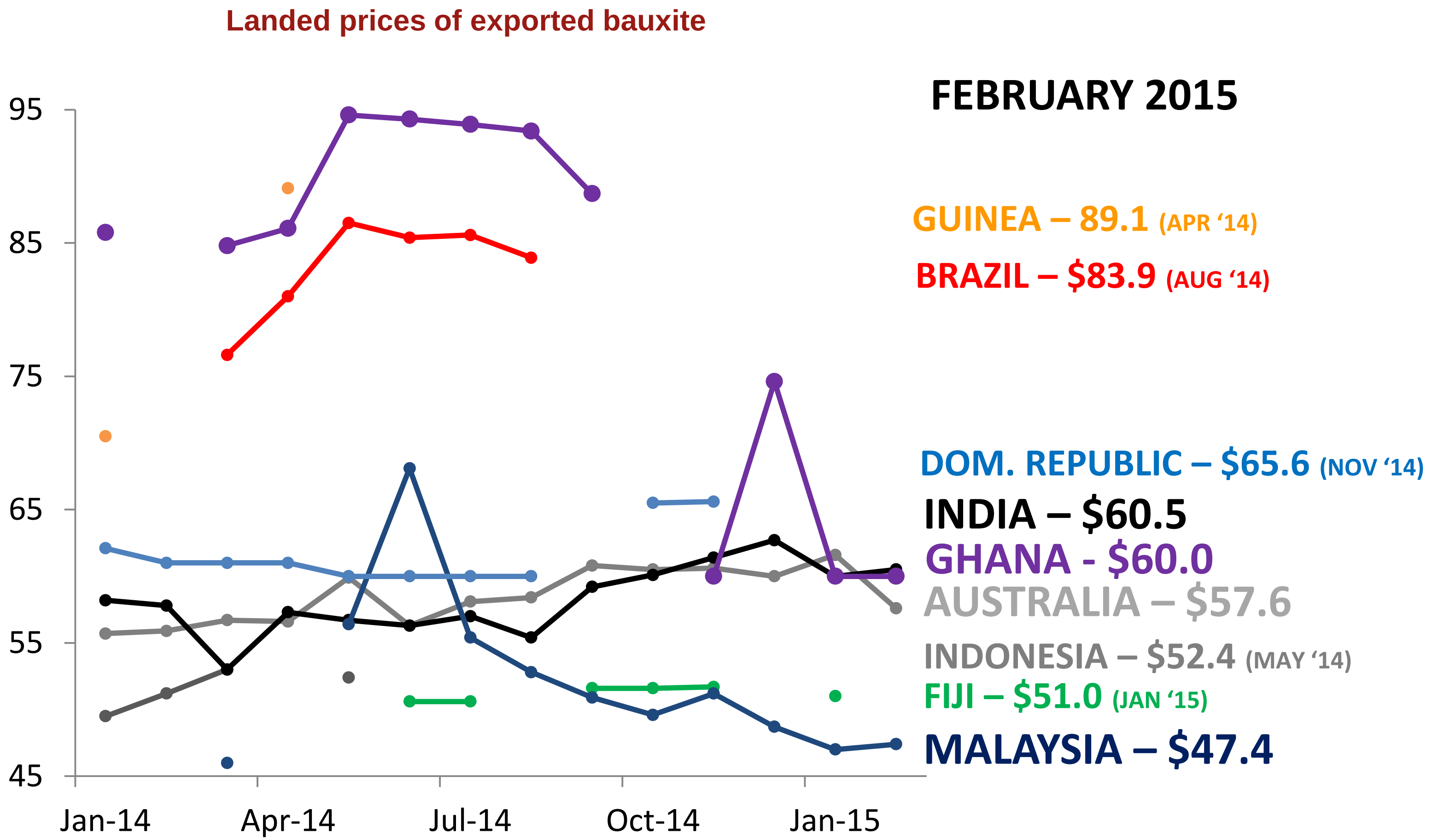
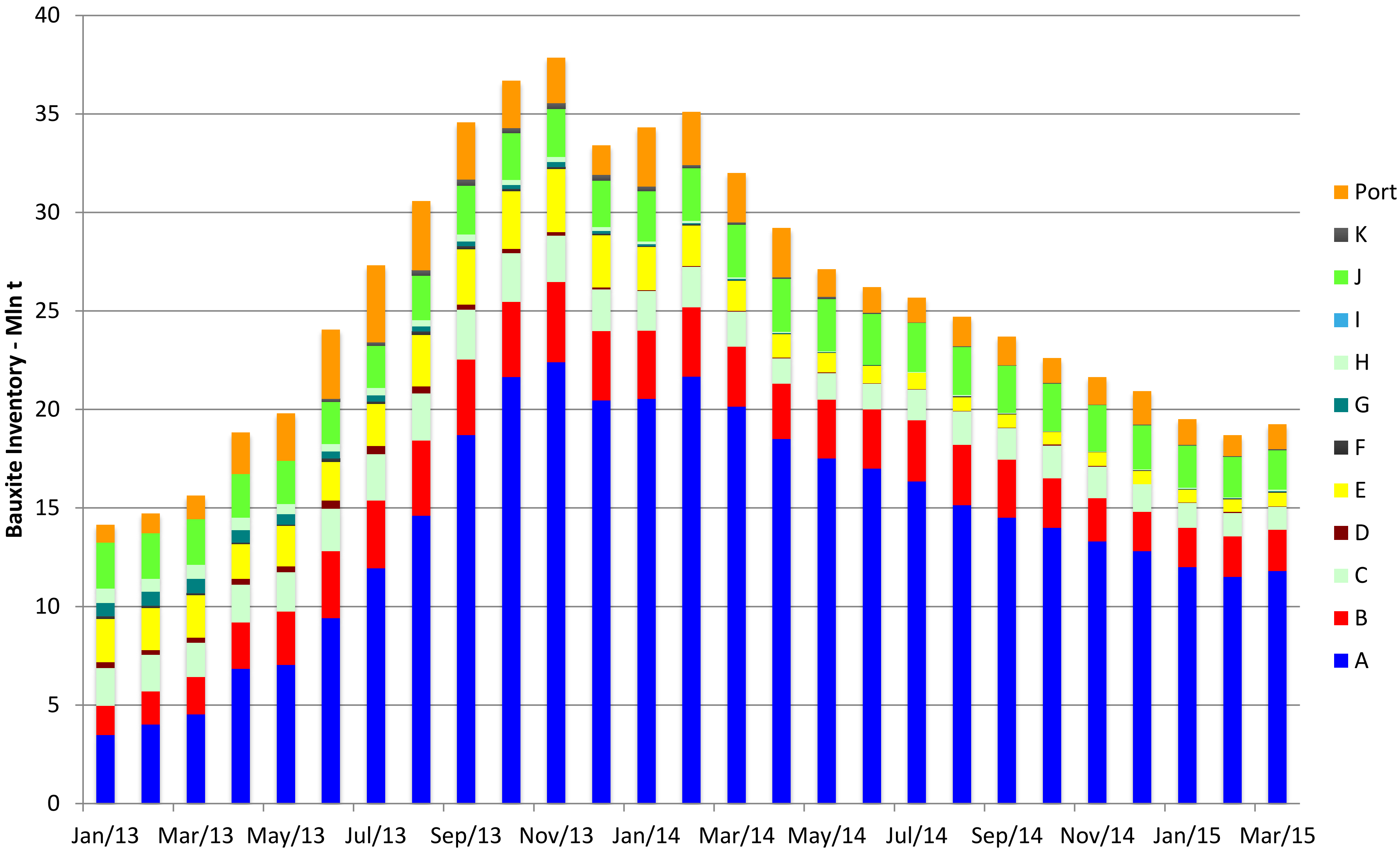
Malaysian supply and pricing relief - but cannot supply all China's needs



Chinese Imported Bauxite Prices CIF
Source: HARBOR Aluminium with China Customs Data, February 2015

Chinese bauxite inventories (by company) have been steadily falling



Source: CM Group, May 2015

Malaysian bauxite supplies likely to continue

Eases supply/price pressure but not fully replacing Indonesia

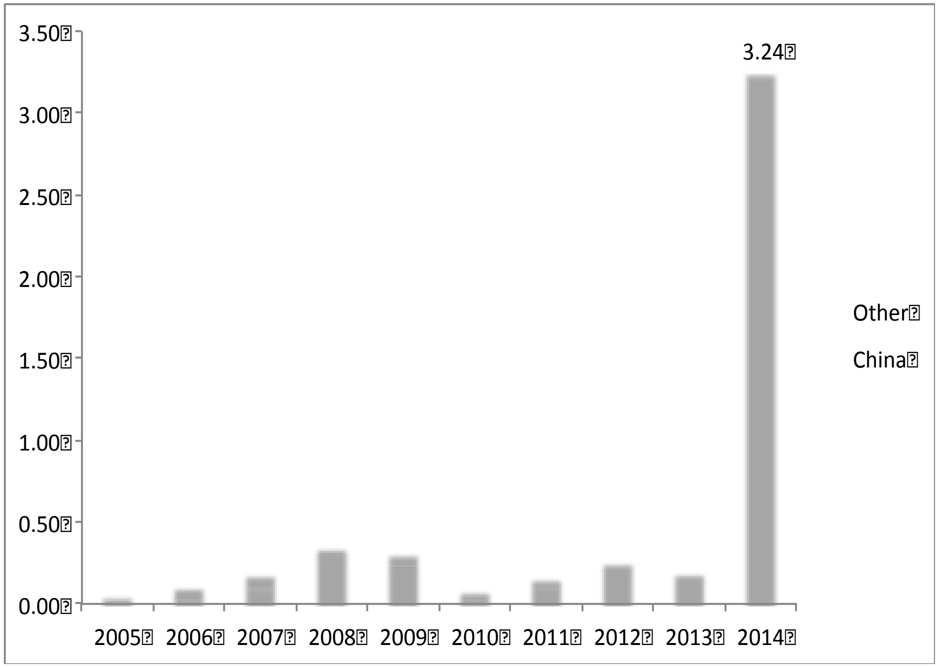
What happened in 2014:

- Iron ore miners switched to mining bauxite due to low prices
- Gibbsitic bauxite with high moisture and iron content, quality varies
- Malaysian bauxite exports to China: 3.3 million tonnes

Potential and issues for 2015 and beyond:

- Expect 8 million tonnes to China in 2015
- Government support needed – road, land use, environmental, port restrictions
- Liquefaction issues with high moisture
- Able to control grade variability?

Malaysia bauxite export, million dry tonnes

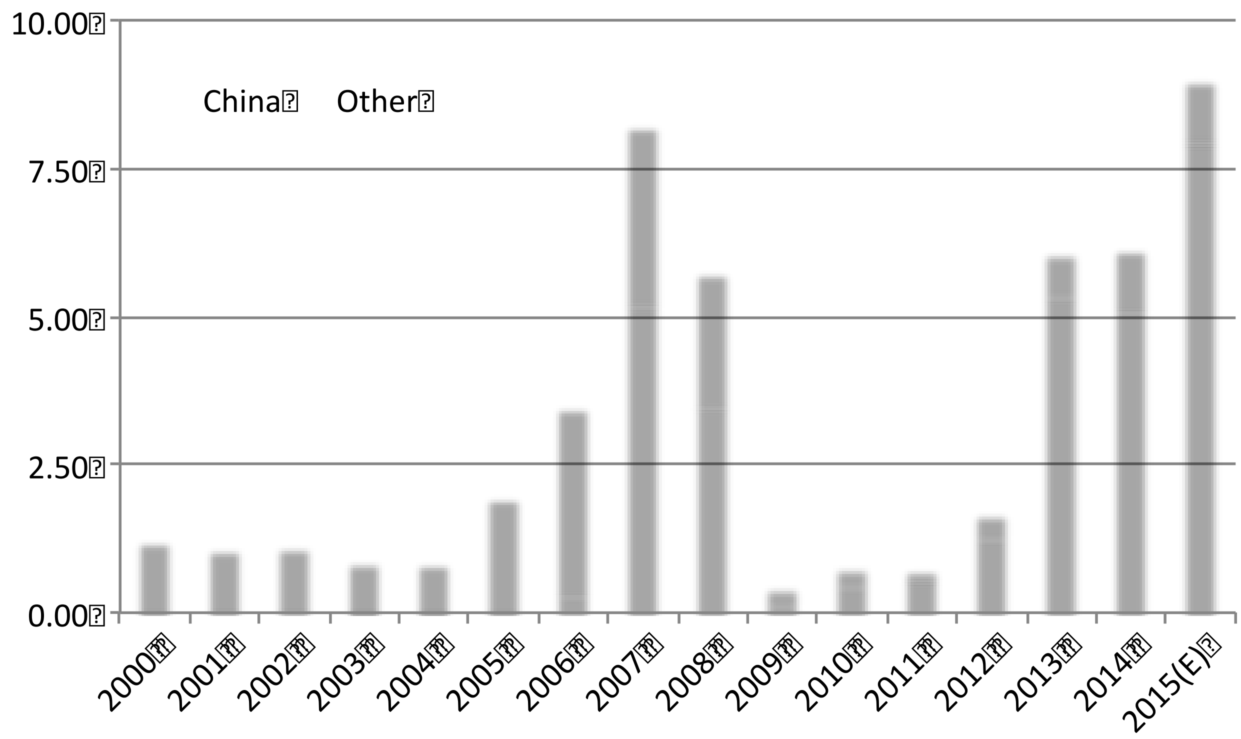


Source: Malaysian and China Customs, CM Group, May 2015

India bauxite exports

- Due to volatility in the country's policies, bauxite exports from India have fluctuated over the past decade
- However, supported by Chinese strong demand, and the impact of the Indonesian ban, Indian bauxite exports have been above 5 million tonnes since 2013

India bauxite exports, million dry tonnes



Source: CM Group April 2015, Ministry of Trade India, China Customs

China's long term domestic bauxite issues

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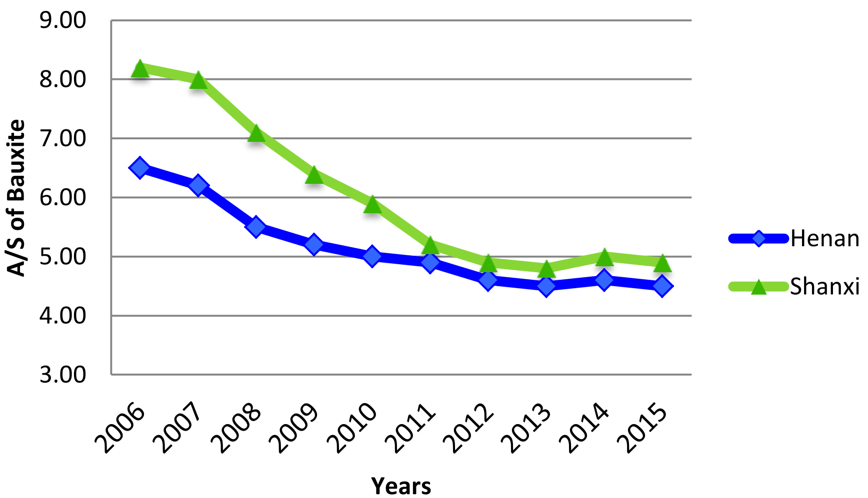
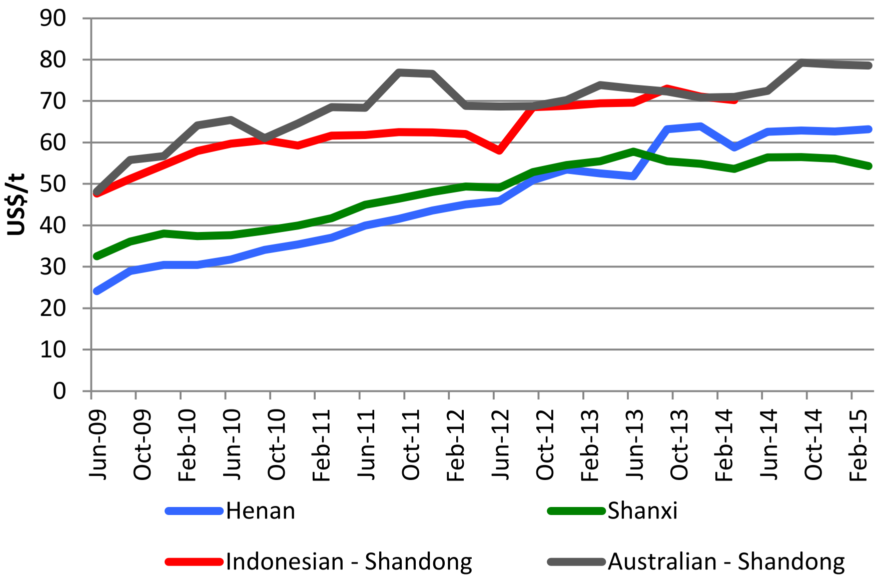
Declining bauxite quality in key alumina producing provinces



- Historical pure Bayer process economic limit above 5.0
- Feed grade increased marginally in 2014 as refineries started to use allocated bauxite (rather than domestic traded)

ViU adjusted bauxite prices have risen

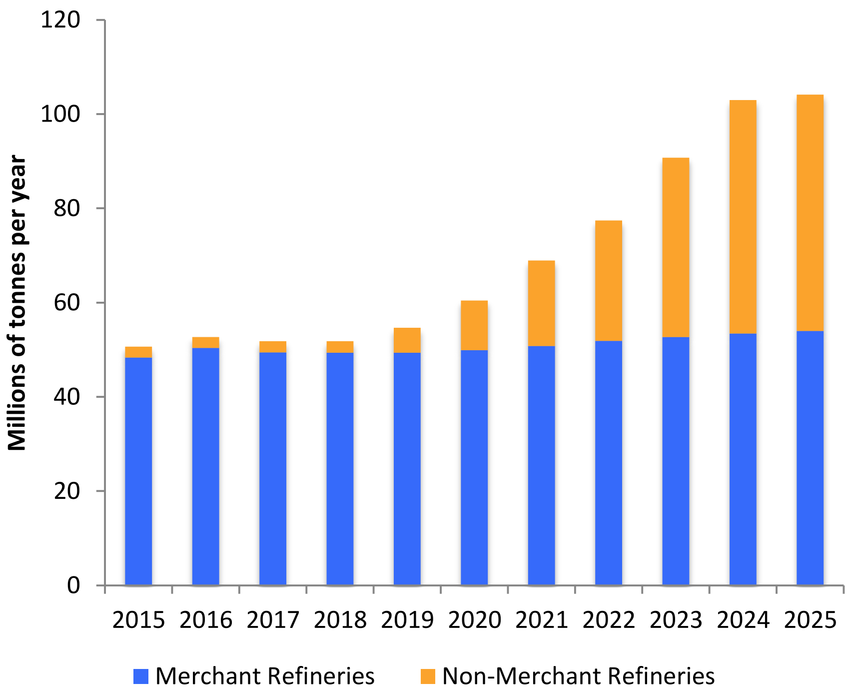


- ViU reflects grade, logistics & processing costs
- ViU rising faster than costs to mine, reflecting deteriorating A/S ratio
- ViU adjusted based on CBIX bauxite index

Source: Left hand side: CM Group, April 2015
Right hand side: Chinese Imported Bauxite Cost, CM Group with China Customs Data, April 2015

China's bauxite imports forecast to grow

Forecast Chinese bauxite imports – 2015 to 2025 (mtpa)

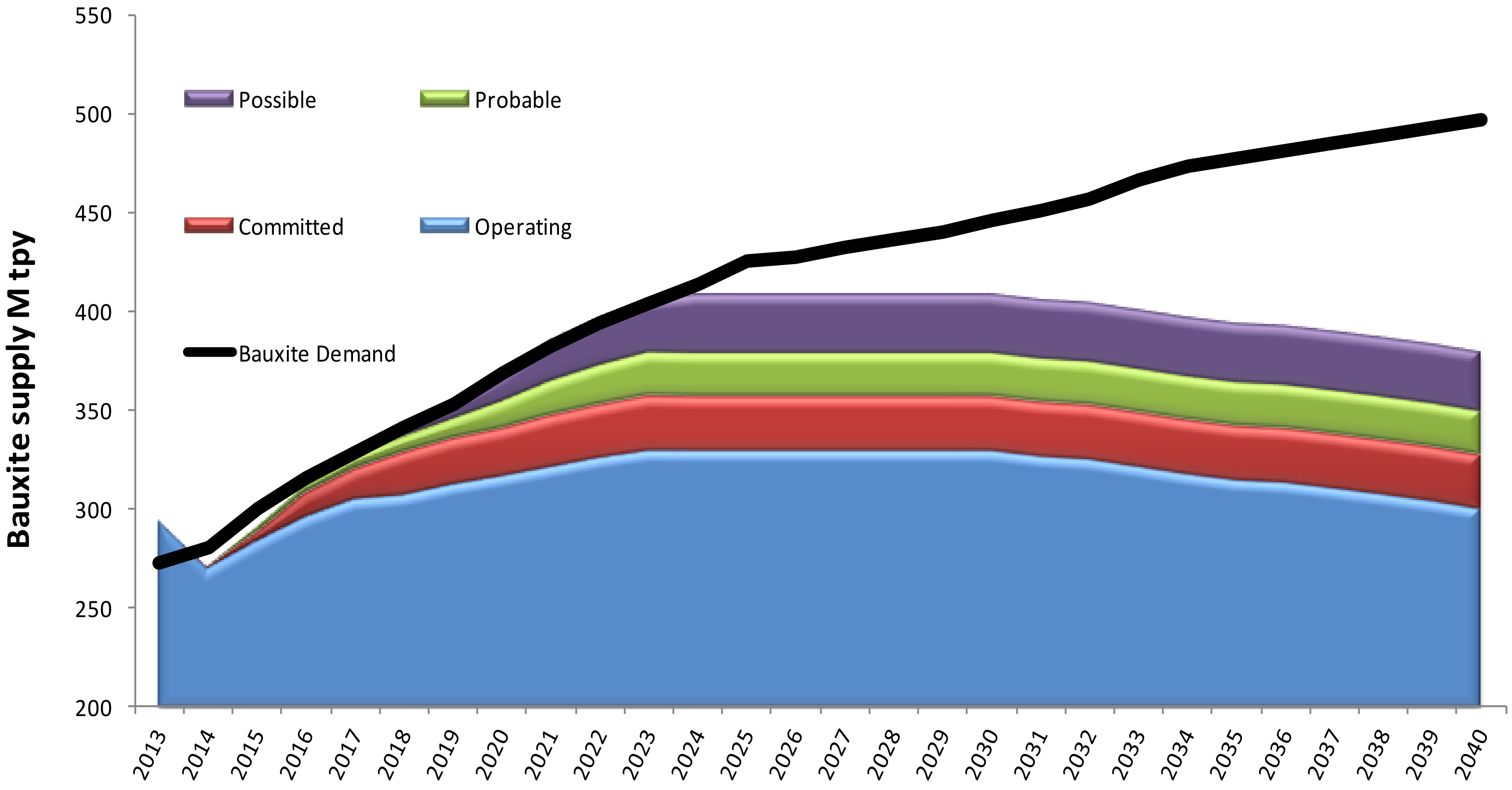


- Shandong to remain the major merchant bauxite-consuming province over the period to 2025
- Under-utilised logistics allow Inner Mongolia (rail) and Chongqing (barge) to become new entrants
- Henan and Shanxi refineries forecast to import significant bauxite tonnes (due to local allocation and quality issues)

Chart: CM Group, January 2015 (All tonnages are dry metric tonnes)

New projects in Malaysia, Australia and Guinea needed on time to avoid bauxite gap in near term

Global Bauxite Supply and Demand, 2013-2040



Source: CRU, February 2015

Summary

- World demand for alumina continues to grow strongly
- Oversupply of alumina now moving towards balance
- Third party alumina pricing basis shift to alumina price index
- Malaysia providing current relief to China on source and price of bauxite – but long term bauxite supply challenges remain
- Ras Al Khair first refinery in Middle East – more to come?
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- Significant mines and refineries outside China still needed in long term – risk of delays to capacity coming on
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