

Dividend Reinvestment Plan

Alumina Limited
ABN 85 004 820 419

Summary of Dividend Reinvestment Plan

The Alumina Limited ("Alumina" or "the Company") Dividend Reinvestment Plan ("the Plan") is an optional and convenient method by which shareholders may reinvest all or part of their dividends in additional Alumina shares without the usual costs of acquiring shares, such as brokerage.

This document is only a summary. Shareholders participating in the Plan are bound by the full Terms and Conditions which govern the operation of the Plan.

In view of the differing financial circumstances applying to Alumina's shareholders, the Company cannot take any responsibility for advice expressed or implied in this publication.

If you are in any doubt as to whether to participate in the Plan then you should consult your own financial advisor without delay.

FULL TERMS AND CONDITIONS

Shareholders should read the detailed Terms and Conditions of the Plan and not rely on this summary. Shareholders who participate in the Plan (or make an application to do so) will be bound by the Terms and Conditions.

The Terms and Conditions are available on Alumina's website at www.aluminalimited.com or can be obtained free of charge from Alumina's Share Registrar:

*Computershare Investor Services Pty Limited
Yarra Falls
GPO Box 2975
Melbourne Victoria 3001
Australia*

Telephone: 1300 556 050 (within Australia)

Overseas: +61 (0)3 9415 4027

*Facsimile: +61 (0)3 9473 2500 [***Compare fax number in Terms and Conditions**]*

Email: web.queries@computershare.com.au

In the event of any inconsistency between the Terms and Conditions of the Plan and this summary, the Terms and Conditions will prevail.

WHO CAN PARTICIPATE IN THE PLAN?

Participation in the Plan is entirely optional.

The Directors of the Company have determined, in accordance with the Terms and Conditions of the Plan, that only holders of Alumina shares with a registered address in Australia or New Zealand (other than shareholders who are "U.S. persons", and other than shareholders to the extent that they are acting for the account or benefit of a "U.S. person", in each case as "U.S. person" is defined in clause 16(b) of the Plan Terms and Conditions) are eligible to participate in the Plan. Shareholders with registered addresses outside Australia and New Zealand (or who are "U.S. persons", or who are acting for the account or benefit of a "U.S. person", to that extent) are not permitted to participate in the Plan.

The Directors have an overriding discretion to refuse to accept an application to participate in the Plan made by a shareholder.

CAN I PARTICIPATE IN RESPECT OF LESS THAN ALL OF MY SHAREHOLDING?

Yes. There are two types of participation in the Plan.

1. Full Participation

This option provides for reinvestment of dividends on all Alumina shares you hold now, or may hold in the future. This includes dividends on:

- shares you currently hold;
- shares you acquire in the future;
- shares issued or transferred to you under the Plan; and
- shares issued through any future rights or bonus issues.

2. Partial Participation

This option provides for reinvestment of dividends in respect of a specified number of your Alumina shares (as nominated by you), at the closing date for determination of entitlements to the relevant dividend. Normal dividend payments will be made in respect of shares not participating in the Plan.

HOW CAN I PARTICIPATE IN THE PLAN?

In order to join the Plan, you simply need to complete a DRP Notice of Election form and return it to the Company's Share Registrar at the address set out under the heading 'Full Terms and Conditions' above. You can use any DRP Notice of Election form provided to you with your invitation to participate in the Plan. A DRP Notice of Election form is also available from the Share Registrar, or from Alumina's website (www.aluminalimited.com).

When completing the DRP Notice of Election form, you should specify whether you would like full or partial participation. Should you select partial participation, please nominate the number of shares which are to participate.

Please note that if you wish to participate in the Plan commencing with a particular dividend then your completed and signed DRP Notice of Election form must be received by the Share Registrar at or before 5pm on the first Business Day immediately after the date as at which entitlements to payment of the relevant dividend are determined (i.e. "the Record Date").

WHEN IS MY ELECTION TO PARTICIPATE EFFECTIVE?

A DRP Notice of Election form will be effective upon receipt by the Registrar and acceptance by the Directors. Participation will apply to your holding, as shown in the Share Register, from the date the DRP Notice of Election form becomes effective, although if the DRP Notice of Election form is not received by the Share Registrar at or before 5pm on the first Business Day immediately after the Record Date for a particular dividend, the shares the subject of the form will not participate in the Plan for that dividend.

The Directors may determine that an improperly completed DRP Notice of Election form is invalid and ineffective, or may correct the relevant error or omission and treat the form as valid and effective.

CAN I CHANGE MY LEVEL OF PARTICIPATION OR WITHDRAW FROM THE PLAN?

You can vary your level of participation in or withdraw from the Plan at any time by completing a DRP Notice of Variation form and returning it to the Company's Share Registrar at the address set out under the heading 'Full Terms and Conditions' above. The DRP Notice of Variation form is available from the Share Registrar, or from Alumina's website (www.aluminalimited.com).

Please note that if you wish to vary your participation in the Plan commencing with a particular dividend, then your completed and signed DRP Notice of Variation form must be received by the Share Registrar at or before 5pm on the first Business Day immediately after the relevant Record Date.

Subject to the foregoing, a DRP Notice of Variation form will be effective upon receipt by the Registrar and acceptance by the Directors. The Directors may determine that an improperly completed DRP Notice of Variation form is invalid and ineffective, or may correct the relevant error or omission and treat the form as valid and effective.

WHAT IF I HAVE MORE THAN ONE HOLDING OF SHARES?

If you have more than one holding of Alumina shares, each will generally be treated separately for the purposes of the Plan, and you will need to make a separate election for each holding.

AT WHAT PRICE WILL SHARES BE ALLOCATED UNDER THE PLAN?

Under the Plan, Alumina shares will be issued or transferred to participants at a price equal to the arithmetic average of the daily volume weighted average market price for all fully paid ordinary shares in Alumina (subject to certain limited exclusions) that are sold on the Australian Securities Exchange (and any other relevant trading platforms or systems determined by the Directors) over the seven trading days commencing on the second trading day immediately after the relevant Record Date (or such other period as is determined by the Directors) (the **Pricing Period**), less any discount (not exceeding 2%) determined by the Directors from time to time.

In respect of each dividend to which the Plan applies, Alumina will announce the applicable Pricing Period and any discount at the same time as announcing the dividend.

The dividend on your shares participating in the Plan is reinvested to acquire as many additional Alumina shares as possible.

There will usually be a small amount left over after shares are issued or transferred under the Plan. This small cash balance will be retained for you by the Company and will be added to the next dividend for reinvestment. No interest will accrue on the small cash balance retained by the Company. Upon termination of your participation in the Plan, this cash balance will be paid to you.

ARE THERE ANY COSTS TO PARTICIPATE?

There are no brokerage, commission or other transaction costs payable by participants in respect of shares issued or transferred under the Plan. However, Alumina does not assume liability for any taxes, stamp duties or other imposts assessed against or imposed on a participant.

WILL I RECEIVE A PLAN STATEMENT?

After each dividend payment, you will be sent a statement detailing your participation in the Plan.

The statement will arrive several days after the relevant shares are issued or transferred to you in respect of that dividend.

IS MY TAXATION POSITION AFFECTED BY THE PLAN?

Alumina cannot advise you on the taxation implications of participating in the Plan. Alumina recommends that if you have any questions regarding the taxation implications of participating in the Plan, you should consult your own financial, taxation or other professional advisor.

WHAT HAPPENS IF I SELL SOME OF MY SHARES?

You may sell your shares participating in the Plan or acquired under the Plan at any time. If you sell all of your shares, you will cease to participate in the Plan.

If all your shares are participating in the Plan and you sell some, but not all, of your shares, your remaining shares will continue to participate in the Plan.

If you are participating in the Plan on a partial basis and you sell some, but not all, of your shares, then the shares disposed of will, to the extent possible, be deemed to be those shares that are not participating in the Plan. If the number of shares disposed of exceeds the number of shares that are not participating in the Plan, you will be deemed to have disposed of all your shares that are not participating in the Plan and the balance will be made up of participating shares.

WHAT IS THE STATUS OF SHARES ISSUED OR TRANSFERRED UNDER THE PLAN?

Shares issued under the Plan rank equally in all respects with existing fully paid Alumina ordinary shares from the date of issue and carry the same voting rights and the same entitlements to dividends and to bonus and rights issues. The same applies to shares that are transferred under the Plan, which will be existing shares.

If you elect full participation in the Plan, the additional shares issued or transferred to you under the Plan will automatically participate in the Plan in respect of future dividends.

However, if you are participating in the Plan on a partial basis, then the additional shares issued or transferred to you under the Plan will not participate in the Plan (unless you subsequently choose to vary your level of participation in the Plan by lodging with the Share Registrar a valid DRP Notice of Variation form).

WILL THE PLAN SHARES BE LISTED ON THE STOCK EXCHANGE?

Alumina will apply for any shares issued under the Plan to be admitted to quotation by the Australian Securities Exchange as soon as practicable after they are issued. Shares transferred under the Plan will already be quoted.

CAN THE PLAN BE MODIFIED, SUSPENDED OR TERMINATED?

The Directors of Alumina may modify the Terms and Conditions of the Plan as and when they consider it appropriate and may suspend or terminate the Plan when they consider it expedient, and Alumina will notify shareholders of any decision to modify the Terms and Conditions or suspend or terminate the Plan in accordance with the Terms and Conditions.

HOW DO I GET MORE INFORMATION?

This document is only a summary. The Plan is governed by the full Terms and Conditions of the Plan and you should therefore refer to those Terms and Conditions for further information. The Terms and Conditions may be downloaded from the Company's website at www.aluminalimited.com or may be obtained free of charge by contacting the Company's Share Registrar. If you have any enquiries in relation to the operation of the Plan, please contact the Company's Share Registrar. The contact details of the Share Registrar are set out below.

*Computershare Investor Services Pty Limited
Yarra Falls
GPO Box 2975
Melbourne Victoria 3001
Australia*

Telephone: 1300 556 050 (within Australia)

Overseas: +61 (0)3 9415 4027

*Facsimile: +61 (0)3 9473 2500 [***Compare fax number in Terms and Conditions**]*

Email: web.queries@computershare.com.au

DISCLAIMERS

You should note that where shares are to be transferred to participants under the Plan, Alumina may engage a stockbroker or other appropriate person ("Broker") to acquire those shares on behalf of the participants in accordance with the Terms and Conditions of the Plan. The Broker will not be giving, and will not be obliged to give, any advice to you. Any document that the Broker is required to provide to you will be given to Alumina as your agent, and made available on Alumina's website (www.aluminalimited.com).

Neither this summary nor the Terms and Conditions of the Plan constitute advice or a recommendation by Alumina or any other person (including the Broker and Share Registrar) to buy, sell or hold shares in Alumina, nor that the Plan is the best way to acquire such shares. Accordingly, before you determine whether to participate in the Plan in connection with any dividend, you should ensure that the Plan meets your own objectives, financial situation and needs. If you are unsure whether you should participate in the Plan, you should consult a licensed financial advisor.