ALUMINA LIMITED

ASX Announcement 8 January 2016

Curtailment of Point Comfort Refining Capacity

Alumina Limited notes and attaches Alcoa Inc.'s statement regarding the decision to curtail one million tonnes of Alcoa World Alumina & Chemicals' ("AWAC") alumina refining capacity by the end of the second quarter 2016.

The curtailment includes the remaining 810,000 tonnes of production at the Point Comfort refinery in Texas, USA. In November 2015, Alcoa Inc. had announced the curtailment of 1.2 million tonnes of production at the refinery. Today's announcement results in a total of 3.1 million tonnes of announced AWAC refinery curtailments since September 2015, which includes operations in Suriname.

AWAC is expected to record a post-tax US GAAP charge in the fourth quarter of 2015 of approximately US$53 million in relation to today's announcement, of which 45% will be cash related. In addition, AWAC is expected to record post-tax charges of approximately US$12 million in the first half of 2016, all of which will be cash related.

Alumina Limited CEO, Peter Wasow, commented, "These curtailments will improve AWAC's cost position and ensure its continued competitiveness in the prevailing market conditions."

AWAC is a joint venture between Alumina Limited and Alcoa Inc. AWAC is 60% owned and managed by Alcoa Inc. and 40% owned by Alumina Limited.

Forward-looking statements

Neither Alumina nor any other person warrants or guarantees the future performance of Alumina or any return on any investment made in Alumina securities. This document may contain certain forward-looking statements, including forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. The words "anticipate", "aim", "believe", "expect", "project", "estimate", "forecast", "intend", "likely", "should", "could", "will", "may", "target", "plan" and other similar expressions (including indications of "objectives") are intended to identify forward-looking statements. Indications of, and guidance on, future financial position and performance and distributions, and statements regarding Alumina's future developments and the market outlook, are also forward-looking statements.

Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina's Annual Report 2014. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.

This presentation contains certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior year and to assess the operating performance of the business. Where non-IFRS measures are used, definition of the measure, calculation method and/or reconciliation to IFRS financial information is provided as appropriate or can be found in the Alumina Limited's ASX Half-Year Report for the period ended 30 June 2015

For investor enquiries:

Chris Thiris
Chief Financial Officer
Phone: +61 3 8699 2607
chris.thiris@aluminalimited.com

Charles Smitheram
Manager – Treasury & Investor Relations
Phone: +61 3 8699 2613
charles.smitheram@aluminalimited.com

For media enquiries:

Nerida Mossop
Hinton and Associates
Phone: +61 3 9600 1979
Mobile: +61 437 361 433

Stephen Foster
Company Secretary

Alumina Limited
GPO Box 5411, Melbourne
Victoria 3001 Australia
ABN 85 004 820 419

Level 12, IBM Centre
60 City Road,
Southbank
Victoria 3006

FOR IMMEDIATE RELEASE

Investor Contact
Nahla Azmy
(212) 836-2674
Nahla.Azmy@alcoa.com

Media Contacts
Sonya Elam Harden
(864) 357-1258
Sonya.Harden@alcoa.com

Sofina Mirza-Reid
(212) 836-2720
Sofina.Mirza-Reid@alcoa.com

Alcoa to Close Warrick Smelter and Curtail Remaining Capacity at Pt. Comfort Refinery

Actions continue to drive competitiveness of Upstream operations

NEW YORK, Jan. 7, 2016 – Lightweight metals leader Alcoa (NYSE:AA) today announced it is taking further action to increase the competitiveness of its Upstream business amid prevailing market conditions. In 2015, the Midwest transaction aluminum price dropped approximately 30 percent, and the Alumina Price Index fell approximately 40 percent.

Alcoa will permanently close its 269,000 metric ton Warrick Operations smelter in Evansville, Indiana by the end of the first quarter 2016. By the end of the second quarter 2016, the Company will reduce alumina production by one million metric tons, which includes curtailing the remaining 810,000 metric tons of refining capacity at its Point Comfort operations in Texas.

The rolling mill and power plant at Warrick Operations will continue to operate.

"We recognize how deeply this decision impacts employees and we are committed to work closely with our employees, unions and community stakeholders to support them through this transition," said Roy Harvey, President of Alcoa's Global Primary Products. "Despite the hard work of employees, these assets are not competitive. We're confident that these actions are the right ones in face of these challenging market conditions. We are committed to creating a resilient business ready for launch as an independent company in 2016."

Once the actions announced today and in the fourth quarter are implemented, Alcoa will have curtailed or closed 812,000 metric tons of smelting capacity and 3.3 million metric tons of refining capacity since its announced review in March 2015 of 500,000 metric tons of smelting capacity and 2.8 million metric tons of refining capacity.

Alcoa forecasts improving supply-demand balances in both the alumina and aluminum markets for 2016, and is focused on positioning the business for success throughout market cycles. The company is on target to meet or exceed its 2016 goals of moving to the 38th percentile on the aluminum cost curve and 21st percentile on the alumina cost curve.

As of result of today's announcement, the Company will record an associated charge in the fourth quarter of approximately $120 million after-tax, or $0.09 per share, of which approximately 45 percent will be non-cash. Additional charges in the first quarter of 2016 related to these actions are expected to be between $50 million and $60 million after-tax, or $0.04 to $0.05 per share, of which almost 80 percent will be non-cash.

As previously announced, Alcoa will separate into two, industry-leading publicly traded companies in the second half of 2016 – an Upstream-focused company including its Mining, Refining, Smelting, Energy and Casting businesses, and a Value-Add company including its Global Rolled Products, Engineered Products and Solutions, and Transportation and Construction Solutions businesses.

Pt. Comfort is part of the Alcoa World Alumina and Chemicals group of companies owned 60 percent by Alcoa Inc., and 40 percent by Alumina Limited.

About Alcoa

A global leader in lightweight metals technology, engineering and manufacturing, Alcoa innovates multi-material solutions that advance our world. Our technologies enhance transportation, from automotive and commercial transport to air and space travel, and improve industrial and consumer electronics products. We enable smart buildings, sustainable food and beverage packaging, high performance defense vehicles across air, land and sea, deeper oil and gas drilling and more efficient power generation. We pioneered the aluminum industry over 125 years ago, and today, our approximately 60,000 people in 30 countries deliver value-add products made of titanium, nickel and aluminum, and produce best-in-class bauxite, alumina and primary aluminum products. For more information, visit www.alcoa.com, follow @Alcoa on Twitter at www.twitter.com/Alcoa and follow us on Facebook at www.facebook.com/Alcoa.

Forward Looking Statement

This release contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "expects," "plans," "should," "will," "would," or other words of similar meaning. All statements that reflect Alcoa's expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding Alcoa's goal to create a globally competitive Upstream business, including moving down the alumina and aluminum cost curves at the targeted rate and timing; the expected timing for completing, and the expected financial impact of, the closure and curtailment; forecasts of supply-demand in the alumina and aluminum markets; Alcoa's separation transaction; and the expected timing of the completion of the separation. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Such risks and uncertainties include, but are not limited to: (a) material adverse changes in aluminum industry conditions, including global supply and demand conditions and fluctuations in London Metal Exchange-based prices and premiums, as applicable, for primary aluminum, alumina, and other products, and fluctuations in indexed-based and spot prices for alumina; (b) Alcoa's inability to successfully realize goals established in each of its business segments, at the levels or by the dates targeted for such goals (including moving its alumina refining and aluminum smelting businesses down on the industry cost curves and increasing revenues and improving margins in its Global Rolled Products, Engineered Products and Solutions, and Transportation and Construction Solutions segments); (c) Alcoa's inability to realize expected benefits, in each case as planned and by targeted completion dates, from acquisitions, divestitures, facility closures, curtailments, or expansions, or international joint ventures; (d) political, economic, and regulatory risks in the countries in which Alcoa operates, including unfavorable changes in laws and governmental policies, tax rates, civil unrest, or other events beyond Alcoa's control; (e) changes in preliminary accounting estimates due to the significant judgments and assumptions required; (f) the outcome of contingencies, including legal proceedings and environmental remediation; (g) uncertainties as to the timing of the separation and whether it will be completed; (h) the impact of the separation on the businesses of Alcoa; (i) Alcoa's inability to realize expected benefits from the separation or the risk that the separation may be more difficult, time-consuming or costly than expected, which could result in additional demands on Alcoa's resources, systems, procedures and controls, disruption of its ongoing business and diversion of management's attention from other business concerns; (j) the potential failure to retain key employees while the separation transaction is pending or after it is completed; (k) deterioration in global economic and financial market conditions generally; and (l) the other risk factors discussed in Alcoa's Form 10-K for the year ended December 31, 2014, and other reports filed with the U.S. Securities and Exchange Commission. Alcoa disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law. Market projections are subject to the risks discussed above and other risks in the market.