

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange Limited



Public Announcement 2005 – 11AWC

Attached is a copy of a statement by Alcoa Inc announcing plans by Alcoa World Alumina & Chemicals (AWAC) and the Government of Jamaica to immediately expand the Jamalco alumina refinery in Clarendon, Jamaica by 150,000 metric tonnes per year (mtpy), as the first phase of the overall 1.5 million mtpy capacity expansion.

“The continuing transformation of the Jamalco refinery from a high cost refinery to one of AWAC’s lowest cost refineries has been remarkable, and an excellent example of how AWAC can create and implement projects generating long term value” said John Marlay, Alumina’s CEO.

AWAC is a global bauxite and alumina joint venture between Alumina Limited and Alcoa Inc.

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

Stephen Foster
Company Secretary

6 May 2005

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Alcoa, Government of Jamaica To Expand Jamalco Alumina Refinery By 150,000 MTPY; 1st Phase of 1.5 Million MTPY Expansion, Doubling Jamalco

NEW YORK--(BUSINESS WIRE)--May 5, 2005--Alcoa (NYSE:AA) today announced that its Alcoa World Alumina and Chemicals (AWAC) affiliate and the Government of Jamaica have approved plans to immediately expand the Jamalco alumina refinery in Clarendon, Jamaica by 150,000 metric tons per year (mtpy) as the first phase of the overall 1.5 million mtpy capacity expansion. This first phase will cost approximately \$77 million, with the commitment of another \$25 million to finalize detailed engineering on the full project over the next three months. Full production from the first phase is expected by the end of 2006.

"This investment pulls forward a portion of our plan to expand the Jamalco facility by more than 1.5 million metric tons," said Bernt Reitan, President of Alcoa Primary Products. "There is concrete evidence of progress in our Jamalco facility and it has earned the right to grow. Pulling forward a portion of our larger expansion will allow us to leverage globally with other brownfield and greenfield projects to reduce our costs and gain efficiencies," said Reitan.

A final investment decision on the larger expansion project, which would more than double the refinery's total capacity to at least 2.8 million mtpy, is expected in the third quarter of 2005. As part of that project, AWAC ownership in the refinery will move from 50 percent to at least 70 percent. The government of Jamaica will continue to own the remaining percentage. Upon approval, it is expected that the expansion project will be completed by the end of 2007.

Expansions at Jamalco stem from a 2002 agreement with the Jamaican government to remove a nearly 30-year-old levy on bauxite in order to encourage investment. As a result of that levy removal and investments to expand, the Jamalco refinery is among the world's lowest-cost refineries.