



## Global Alumina Releases Second Quarter 2007 Results

TORONTO, ON – August 14, 2007 – Global Alumina Corporation (TSX: GLA.U) (the “Company” or “Global Alumina”), a company developing an alumina refinery located in the bauxite-rich region of the Republic of Guinea (the “Guinea Alumina Project” or the “Project”, previously the “Sangarédi Refinery Project”), announced today its financial and operating results for the three-month period ending June 30, 2007.<sup>1</sup> The text of the quarterly unaudited financial statements and management’s discussion and analysis can be viewed or printed from the Company’s SEDAR reference page at [www.sedar.com](http://www.sedar.com). All dollar amounts are in U.S. dollars.

### Significant Corporate Events:

#### Joint Venture Transaction Completed

Most significantly in the quarter, Global Alumina completed on May 17, 2007 a joint venture transaction under which it sold for aggregate proceeds of \$260 million two-thirds of its interest in Guinea Alumina Corporation, Ltd. (“Guinea Alumina”) which together with its wholly-owned Guinean subsidiary, Guinea Alumina Corporation, S.A., is the owner and developer of the Project. The transaction resulted in a dilution gain of \$151.5 million, \$88.0 million of which was recognized at completion upon receipt of the initial subscription payment of \$151.1 million and \$63.4 million was deferred pending receipt of the remaining \$108.9 million of subscription payments to be paid in three installments subject to Guinea Alumina achieving certain future milestones.

As a result of this transaction, Global Alumina received net proceeds of \$120,066,121, recorded a subscription payment receivable of \$108.9 million, retained a one-third, joint-controlling interest in Guinea Alumina and brought the significant interests of each of BHP Billiton (one-third), DUBAL (one-fourth) and Mubadala (one-twelfth) as strong development partners to Guinea Alumina. Additionally, Guinea Alumina fully repaid the \$59.7 million then outstanding under the subscriber loan facility and increased its cash balances by \$24.7 million by means of a concurrent, pro rata capital contribution. Invested capital in Guinea Alumina and the Project reached \$320 million as of June 30, 2007.

As of the May 17, 2007 transaction completion, the Company’s remaining one-third interest is proportionately consolidated according to Canadian GAAP. Consequently, the Company’s pro rata share of each of the assets, liabilities, revenues and expenses of Guinea Alumina has been combined on a line-by-line basis with similar items in the Company’s financial statements. Historical financial statements presented reflect 100% ownership of Guinea Alumina up to May 17, 2007.

### Review of Second Quarter 2007 Results:

Due to the \$88.1 million dilution gain realized in the quarter, Global Alumina realized net income of \$84.3 million or \$0.41 per share for the three months ended June 30, 2007; compared with a loss of \$5.0 million or \$0.03 per share for the same period in 2006.

As of June 30, 2007, Global Alumina had consolidated assets of \$327.0 million, including approximately \$97.6 million in an escrow account reserved for its one-third share of future capital requirements of Guinea Alumina, an additional \$23.3 million of unrestricted cash and \$108.9 million due from its joint venture partners. It also had no debt, \$9.7 million of payables and accruals (\$8.6 million of which represents its one-third interest in Guinea Alumina’s payables and accruals), its one-third interest of \$10.6 million in Guinea Alumina’s cash, and shareholders’ equity plus deferred dilution gain equal to \$317.3 million.

#### Operating Milestones

- During the quarter, Guinea Alumina transitioned from a wholly-owned Global Alumina subsidiary to a joint venture company owned one-third by each of Global Alumina and BHP Billiton, one-fourth by DUBAL and one-twelfth by Mubadala. The joint venture verified the historical body of work for the benefit of the new owners and agreed to (1) conduct a bankable feasibility study in accordance with BHP Billiton standards to be completed by yearend 2007, (2) continue the ongoing early works’ construction program and (3) implement certain cost reduction opportunities identified during the new owners’ verification phase.
- In addition to advancing the engineering and procurement work, Guinea Alumina’s continuing early works’ construction program in the quarter included resettlement, vocational training, refinery area clearing, earth works for the rail spur from the main line to the refinery site, storm water pond blasting and dyke construction, and installation of a new bridge at Boké to remove the only existing road transportation bottleneck for heavy construction loads from the port of Kamsar to the refinery site.
- During the quarter, Guinea Alumina capitalized an additional \$27.3 million (\$9.1 million Global Alumina share) to construction in progress, bringing the balance as of June 30, 2007 to \$234.2 million (\$78.1 million Global Alumina share).
- At the end of June, Guinea Alumina was directly responsible for the employment of 1,191 people in Guinea, including over 1,000 Guineans.

Pending completion of the bankable feasibility study, Guinea Alumina adopted preliminary working estimates for the alumina refinery’s initial capacity at 3.2 million tonnes per year, a \$3.2 billion cost to complete construction with production commencing in 2011. The final cost estimates and construction schedule will depend on the completion of engineering

<sup>1</sup> Unless otherwise stated, all financial figures discussed in this announcement are unaudited, prepared in accordance with Canadian generally accepted accounting principles for interim financial statements, expressed in U.S. dollars as of June 30, 2007, and represent comparisons between the three-month period ended June 30, 2007 and the equivalent three-month period ended June 30, 2006.

studies and the negotiation of construction and financing arrangements undertaken as critical elements of Guinea Alumina's bankable feasibility study to be completed by December 31, 2007.

## **ABOUT GLOBAL ALUMINA**

Global Alumina and its joint venture partners are developing a 3.2 million tonnes per annum alumina refinery located in the bauxite-rich region of the Republic of Guinea. Its joint venture partners are BHP Billiton, Dubai Aluminium Company Limited and Mubadala Development Company PJSC. The joint venture's refinery project is one of the most advanced new projects in Guinea with the refinery already in feasibility stage and critical path infrastructure and site work already underway. Global Alumina is positioned to be one of the only companies focused solely on alumina production and sales. The company offers a first mover advantage over other projects in the region and an opportunity for socially responsible investing in a country that holds over one-third of the world's bauxite resources. Global Alumina is a Saint John, New Brunswick corporation with administrative offices in New York, London, Montreal and Conakry, Guinea and operations in Boké, Guinea. For further information visit the company's website at [www.globalalumina.com](http://www.globalalumina.com).

## **Safe Harbor Statement**

Certain information in this release is "forward looking information", which reflects management's expectations regarding the Company's future growth, results of operations, performance and business prospects and opportunities. In this release, the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate" and "expect" and similar expressions, as they relate to the Company, are often, but not always, used to identify forward looking information. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Forward looking information involves significant risks and uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of whether or not or the times at, or by which, such performance or results will be achieved. Such forward looking information includes: the ability of the Company to satisfy the conditions precedent to the three deferred installment subscription payments pursuant to the subscription agreement with the joint venture partners; the commencement or outcome of any negotiations with third parties; future production levels; the amount, nature and timing of capital expenditures; the timing of refinery construction and mine start up; expectations regarding the financing of the alumina refinery project and associated infrastructure and the sources of financing; prices for alumina and aluminum; operation and other costs; and business strategies and plans of management. A number of factors could cause actual results to differ materially from the results discussed in the forward looking information, including, but not limited to: a failure by the Company to complete the conditions precedent to subsequent installments under the subscription agreement; the political and economic risks of investing in a developing country; the failure of the joint venture partners to approve plans for the development of the Project after completion of a feasibility study no later than December 31, 2007; construction risks such as cost overruns, delays and shortages of labour, materials and equipment; the Company's dependence on a single mining property; the possible forfeiture of the Mining Concession (as defined in the Company's Annual Information Form dated March 29, 2006) in certain circumstances; operational risks such as access to infrastructure and skilled labour; price volatility of alumina, aluminum or raw materials; and all other factors discussed under the heading "Risk Factors" in the Company's Annual Information Form. Although the forward looking information contained in this release is based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with this forward looking information. If the assumptions underlying forward looking information prove incorrect or if more of the risks or uncertainties materialize, actual results may vary materially from those described in this release as intended, planned, anticipated, believed, estimated or expected. This forward-looking information is made as of the date of this release, and the Company assumes no obligation to update or revise it to reflect new events or circumstances.

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