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LYNAS SIGNS 6TH CUSTOMER AGREEMENT AND SATISFIES THE SENIOR LENDER'S REQUIREMENTS FOR CUSTOMER OFF-TAKE CONTRACTS

Key Points:

- ***Lynas signs 6th customer agreement for Mount Weld Rare Earths project.***
- ***The Supply Contract includes production from Phase I of the Advanced Materials Plant in Malaysia as well as additional volume from the planned Phase II plant expansion.***
- ***Lynas has now secured sufficient off-take contracts to satisfy the condition precedent related to off-take contracts for draw down of the senior loan facility.***

Lynas Corporation Limited (ASX: LYC) is pleased to announce the signing of the company's sixth customer agreement for Mount Weld Rare Earths to be produced from the company's Malaysian Advanced Materials Plant. A supply contract has been signed with a Rare Earths consumer who will purchase material from Phase I of the Advanced Materials Plant, which has a planned annual capacity of 10,500 tonnes Rare Earths Oxides (REO), plus additional volume from the planned Phase II expansion, which will increase the annual plant capacity to 21,000 tonnes REO.

The multiple-year contract supply contract covers a minimum tonnage of REO to be purchased and includes the potential to expand this volume as well as extend the the contract upon mutual agreement of both parties. The detailed terms of the supply contract are commercially confidential.

With this contract now signed, Bayerische Hypo- und Vereinsbank AG (HVB) has confirmed that the level of signed off-take contracts exceeds the current value required to satisfy the condition precedent related to off-take contracts for present drawdown of the US\$105 million senior loan facility. The above confirmation satisfies an important condition precedent for release of the US\$95 million bond monies from escrow.

The contracts signed to date are with industrial companies whom consume large quantities of Rare Earths, rather than with intermediate trading companies. The contracts are all for minimum fixed volumes which are reflected in the value of the contracts previously announced. Under the typical contractual provisions, Lynas delivery obligations commence upon actual start up of the Advanced Materials Plant in Malaysia.

Lynas' Executive Chairman, Nicholas Curtis, said:

“Signing sufficient contracts which meet the current off-take requirements set out in the first half of 2008 by HVB and the bond holders is a very significant milestone for the company and the Rare Earths project.”

The company continues to be actively engaged with potential customers in Europe, Japan and the USA, and anticipates further customers announcements in the near future.

About Lynas Corporation

Lynas owns the richest deposit of Rare Earths, also known as Lanthanides, in the world at Mount Weld, near Laverton in Western Australia. This deposit underpins Lynas' strategy to create a reliable, fully integrated source of Rare Earths supply from the mine through to customers in the global Rare Earths industry.

With the first mining campaign complete and all environmental approvals in place, Lynas has commenced construction of the Concentration Plant at Mount Weld, in Western Australia, as well as an Advanced Materials Plant to process the Mount Weld concentrate through to final Rare Earths carbonates and oxides in the Gebeng Industrial Estate, Kuantan, Pahang, Malaysia. The construction of these plans is progressing well and first production is scheduled in the fourth quarter of 2009. The company plans to become the benchmark for security of supply and a world leader in quality and environmental responsibility to an international customer base.

'Rare Earths' is the term given to fifteen metallic elements known as the lanthanide series, plus yttrium. They play a key role in green environmental products, from energy efficient compact fluorescent light bulbs (CFLs) to hybrid cars, automotive catalytic converters and wind turbine generators. They are also essential in the development and manufacturing of many modern technological products, from hard disc drives to flat panel displays, iPods and magnetic resonance imaging (MRI) scans.

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