
2 March 2009

CANCELLATION OF SENIOR LOAN FACILITY

Further to its announcements dated 10 February 2009 and 17 February 2009, Lynas Corporation Limited ("Lynas", ASX:LYC) has cancelled its senior loan facility in the amount of US\$105 million.

The cancellation arose because it became clear that Lynas will not be able to satisfy the conditions of first drawdown by 31 March 2009 as a result of the ongoing dispute concerning the convertible bond facility.

The Company continues to assess all of its options concerning the convertible bond facility and the Company will update the market once there is further news concerning the convertible bond facility.

Lynas and the senior lender will work over coming days to finalize arrangements concerning the senior loan facility, including payment of any remaining fees and expenses in respect of the senior loan facility.

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.

The first mining campaign is now complete. Lynas has received all environmental approvals to build a Concentration Plant at Mount Weld and an Advanced Materials Plant to process the Mount Weld concentrate through to final Rare Earths oxides in the Gebeng Industrial Estate, Kuantan, Pahang, Malaysia. 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.

For further information please contact Nicholas Curtis on +61 (0)2 8259 7100 or visit www.lynascorp.com

