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CHINESE RARE EARTHS EXPORT QUOTA SIGNIFICANTLY REDUCED FOR SECOND HALF OF 2010

The Ministry of Commerce of the People's Republic of China has released 7,976 tonnes of approved Rare Earths export quota for the second half of 2010. This includes export quota for both foreign-invested firms (1,768 tonnes) and local firms (6,208 tonnes).

The total export quota for 2010 (30,259 tonnes) is 40% less than the total export quota for 2009 (50,145 tonnes). In addition, the export quota for the second half of 2010 (7,976 tonnes) is 72% less than the export quota for the second half of 2009 (28,417 tonnes).

Below is a table setting out the Chinese Rare Earths export quota for foreign-invested firms and local firms for the last two years.

Chinese Rare Earths Export Quota for Foreign-Invested and Local Firms						
	2009 (1st half)	2009 (2nd half)	2009 Total	2010 (1st half)	2010 (2nd half)	2010 Total
Foreign-Invested	6,685	10,160	16,845	5,978	1,768	7,746
Local	15,043	18,257	33,300	16,305	6,208	22,513
Total	21,728	28,417	50,145	22,283	7,976	30,259

Export quotas on Rare Earths products were introduced by the Chinese government in 2003 to limit the export of China's strategic resource. The 2010 regulatory constraints of Rare Earths supply from China, which supplies over 90% of Rare Earths to the world, is a significant reduction in product available for export.

Lynas Executive Chairman, Nicholas Curtis, said "The tightening of supply regulations provides additional opportunity for Lynas to meet the supply deficit outside of China. Lynas owns the richest known deposit of Rare Earths outside of China at Mount Weld in Western Australia and the company is progressing well with plant construction to be in a position to commence supply in Q3 2011".

About Lynas Corporation

Lynas owns the richest known 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.

Development of the mine is complete and in November 2009 Lynas completed an A\$450million capital raising to enable the completion of construction of the 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. Lynas has received all required approvals to construct both plants.

Mobilisation of construction activities on both the Mount Weld site and the Gebeng site occurred in April 2010.

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, with production anticipated to commence in 2011.

'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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