

23 February 2012

Claims Made in Malaysia

Lynas Corporation Limited (ASX:LYC, OTC:LYSDY) has recently been served with various documents relating to court proceedings against Malaysia's Atomic Energy Licensing Board (AELB), the Malaysian Department of Environment (DOE) and Lynas Malaysia regarding the Lynas Advanced Materials Plant (LAMP). The applicants in the proceedings are a group of individuals who live in the region where the LAMP is being constructed.

The application seeks the court's permission to apply for review of the decision by the AELB to grant a temporary operating licence (TOL) for the LAMP (which was the subject of an announcement by Lynas on 2 February 2012). The application also seeks to delay operational start up of the LAMP, pending the determination of the proceedings.

In 2008, Lynas received DOE approval of its Environmental Impact Assessment for the LAMP, following a rigorous review by the DOE in accordance with all applicable requirements.

In 2011, the Malaysian government arranged a further independent review by the International Atomic Energy Agency (IAEA), and Lynas was happy to submit to that further independent review. The recommendations of the IAEA have been accepted by Lynas and by the Malaysian government. The IAEA concluded that the LAMP, once completed in the second quarter of this year, is expected to be safe and fully compliant with international standards, and that Malaysia's laws and regulations regarding radiation safety are "comprehensive" and "conform to IAEA standards". It added that in some cases, Malaysia's regulations are stricter than internationally accepted safety standards.

On 2 February 2012, it was announced that the AELB had approved the granting of a TOL for the LAMP, subject to a number of conditions. Lynas has accepted the conditions of the TOL, and those conditions will be complied with by Lynas. Lynas respects the government's review and approval process and Lynas acknowledges that it imposes very high standards. Lynas also continues its program of consultation with community representatives in Malaysia. Construction of the LAMP continues and Lynas remains on track for first feed to kiln and first production during the second quarter of 2012.

Lynas has complied, and will continue to comply, with the requirements of the Malaysian Government regulatory authorities in relation to the LAMP. While Lynas respects the concerns of members of the community, it does not believe that there is any basis for the



claims made in the proceedings. Lynas will take the necessary steps to vigorously protect its interests in relation to the orders sought in the proceedings.

Lynas will keep the market informed of any future material developments in relation to the proceedings.

For further information please contact Alistair Reid or Liz Whiteway on +61 2 8259 7100 or visit www.lynascorp.com

For all media enquires please contact Michael Vaughan from FTI Consulting on +61 2 8298 6100