



30 June 2011

Construction Standards of the Lynas Advanced Materials Plant

Lynas Corporation Limited ("Lynas") (ASX:LYC, OTC:LYSDY) wishes to respond to an article appearing in the New York Times on 30 June 2011 regarding construction standards of the Lynas Advanced Materials Plant (LAMP), located in the Gebeng industrial area, Kuantan, in the State of Pahang, Malaysia.

Lynas confirms that the engineering design and construction execution of the LAMP have been implemented in accordance with all appropriate international standards and practices, suitable for the LAMP's specific location, which are required to facilitate a safe and viable operation.

Neither Lynas, nor our construction team, are facing any unusual construction difficulties in Gebeng. In fact the Gebeng industrial area, as evidenced by the large number of industrial chemical operations run by international chemical companies in Gebeng, is an excellent location where relevant skills exist to construct and operate large chemical plants, such as the LAMP.

In making decisions regarding equipment and/or vendors, Lynas will never compromise on these standards or required specifications versus cost savings. For example, piping material selection and associated engineering and design in the LAMP comply with international standards and the engineering makes appropriate allowances for the function required of each pipe. With regards to the concrete tanks and lining, Lynas confirms that in fact Cradotex (M) Sdn. Bhd. has been awarded the relevant contract and will use an Akzo Nobel product.

The vendors, contractors and construction management companies mentioned in the New York Times article are in agreement that it is normal course of business in any construction project for questions to be raised between vendors, contractors and construction management teams. These are resolved through mutual co-operation between the parties involved during the course of project construction to meet international standards.

Lynas shall never compromise the health and safety of the environment, community or our employees through cost cutting efforts or accelerated delivery of the LAMP.

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.



Lynas will concentrate the ore mined at Mount Weld in a Concentration Plant approximately 1.5km from the mine. The concentrate produced by the Concentration Plant will be shipped in sea containers and transported by road and ship to the east coast of Malaysia to the Lynas Advanced Materials Plant (LAMP) within the Gebeng Industrial Estate, Kuantan, Pahang, Malaysia, to process the Mount Weld concentrate through to separated Rare Earths products.

Construction of Phase 1 of the Lynas Rare Earths Project is being funded from existing cash of Lynas. Construction of Phase 2 of the Lynas Rare Earths Project will be funded from the Sojitz/JOGMEC facilities. The Concentration Plant in Western Australia commenced feed of ore on 14 May 2011. Practical completion and commissioning of the LAMP are scheduled to be achieved before the end of 2011. Lynas has received all required approvals to construct the LAMP, and is in the process of applying for all pre-operation and operation approvals.

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.

Lynas American Depositary Receipts (**ADRs**) trade under the code LYSDY (CUSIP number 551073208). The Bank of New York Mellon is the depositary bank in respect of Lynas ADRs.

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