

Lynas Secures Processing Plant Site in the State of Pahang, Malaysia

Key Points:

- ***A binding Letter of Intent has been signed to secure the processing plant site***
- ***The location is supported by Malaysian Federal, State and Municipal Governments***
- ***The site is within the Gebeng Industrial Area with excellent infrastructure***
- ***The required approvals are anticipated to be received by the end of 2007***

Lynas Corporation Limited ("Lynas") (ASX code LYC) is pleased to announce the signing of a legally binding Letter of Intent with a land owner for the purchase of an appropriate parcel of land for the construction of the processing plant in Malaysia.

As announced on 24 August 2007 the Malaysian Industrial Development Authority identified a preferred location within the State of Pahang at the Gebeng Industrial Area. Gebeng is 2.5km from Kuantan Port. The supporting facilities and infrastructure required for the processing plant are well developed at Gebeng and include:

- Cleared, levelled and filled land, which reduces the site preparation requirements
- Required infrastructure for electricity, gas, water, and steam
- Complete logistics infrastructure including roads, a railway line to port side, and port facilities for containers, liquid chemicals, and dry bulk materials

The land selected within the industrial area is of the necessary size and shape to accommodate the plant, with the planned expansion to 21,000 tonnes per annum REO, with minimal changes to plant layout and therefore minimal engineering changes.

With selection of the specific site completed the next steps include detailed geotechnical assessment, completion of the baseline environmental conditions and submission of an Environmental Impact Assessment to the Department of Environment. Normal access and construction applications will also be made to the Kuantan Municipal Council. Receipt of these approvals will be conditions precedent to the execution of a subsequent sales and purchase agreement. These approvals are expected to be granted prior to the end of December this year.

In addition, a detailed review of the schedule for commencement of site works and subsequent anticipated plant production can now take place.

Lynas' Executive Chairman, Nicholas Curtis, said "After detailed discussions the Kuantan Municipal Council, the State Government of Pahang and the Federal Government of Malaysia have given their support to the company constructing the processing plant in the Gebeng Industrial Area. The company now looks forward to making solid progress in the planning, approvals, and construction of the plant to deliver the product to our customers already under contract."

About Lynas Corporation

Lynas owns the richest deposit of Rare Earths, also known as Lanthanides, in the world at Mt 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 mining contractor is currently on site and mining has commenced. 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 are essential in the development and manufacturing of many modern technological products, from disc drives to flat panel displays, iPods and magnetic resonance imaging (MRI) scans. They also 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.

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