



25 September 2012

UPDATE ON MALAYSIAN LEGAL PROCEEDINGS

Further to Lynas Corporation Limited's (ASX:LYC, OTC:LYSDY) announcement dated 10 September 2012, the Kuantan High Court has decided to hear on 4 October 2012 an application by parties associated with the Save Malaysia Stop Lynas group for an injunction in respect of Lynas' Temporary Operating Licence (TOL). The injunction application is part of an application seeking judicial review in respect of the June 2012 decision of the Minister of Innovation, Science and Technology to affirm the approval of the TOL.

The TOL was approved by the Atomic Energy Licensing Board (AELB) on 1 February 2012 and it was issued on 5 September 2012. Pending the 4 October 2012 hearing, the Kuantan High Court issued an interim order maintaining the status quo in respect of the TOL. The interim order has the effect of suspending any new action under the TOL until the hearing on 4 October 2012. That interim order is not anticipated to impact on Lynas' planned schedule, because Lynas has planned for first feed to kiln at the Kuantan plant after 4 October 2012.

At the 4 October 2012 hearing, both Lynas and the Malaysian government intend to strongly assert Lynas' rights to operate in accordance with the approved and issued TOL.

Parties associated with the Save Malaysia Stop Lynas group have, on several occasions in the past, unsuccessfully sought orders similar to the requested injunction, before the Kuala Lumpur High Court and the Malaysian Court of Appeal. Lynas believes, and intends to argue, that the basis for the other courts declining to grant such an injunction remains valid.

A thorough and diligent process was undertaken by all relevant authorities prior to issuance of the TOL, in accordance with all applicable regulatory requirements. The Malaysian Department of Environment, the International Atomic Energy Agency, the Malaysian Atomic Energy Licensing Board, the Minister of Science, Technology and Innovation and a Parliamentary Select Committee have all scrutinised various aspects of Lynas' plant and Lynas' compliance with the required domestic and international standards, and all have found in favour of Lynas.

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