
16 October 2009

PROJECT UPDATE – ENGAGEMENT OF UNITED GROUP LIMITED

Lynas Corporation Limited (ASX: LYC) provides the following update concerning the Lynas rare earths project.

Following receipt this week of net proceeds in the amount of approximately A\$204 million from the unconditional placement and the institutional entitlement offer components of the equity raising announced on 29 September 2009, Lynas is now finalizing plans for remobilization to site and recommencement of project works.

Specifically, these plans relate to the engagement and mobilisation of a new team to complete remaining engineering activities.

Due to the ongoing delays associated with FIRB review of the proposed CNMC transaction, Ranhill WorleyParsons (RWP) demobilised all engineering, procurement and construction project resources and re-allocated them to other projects. Subsequently, RWP has been unable to remobilise the same team to recommence engineering.

In addition, during the Project suspension, Lynas undertook a high level review of the engineering conducted to date. This review was undertaken by a consortium headed by Mintrex, and including Abesque Engineering (AEC), BEC Engineering (BEC) and United Group Limited (UGL).

Lynas requested various parties to submit proposals to complete the remaining engineering works. Following a review of the proposals received, Lynas has decided to engage United Group Limited as Engineering Contractor, and to source selected services from RWP and other parties.

About United Group Limited

United Group Limited (ASX: UGL) is a leading publicly listed (ASX 100) Australian engineering and services provider with operations across the globe. It consists of four divisions - UGL Resources, UGL Infrastructure, UGL Rail and UGL Services. It is to UGL Resources that Lynas has awarded this contract.

UGL Resources is one of only a few companies in Australia able to support the entire life cycle of a project/asset. They provide engineering, design, project management, construction, shutdown, asset management and industrial maintenance services to the Australian and international resources sectors. This includes the mining & mineral processing, chemicals, oil & gas and industrial processing industries.

In Australia, UGL Resources has over thirty five years' experience and a workforce of more than 3,000 employees.

Corporate Office
Level 7
56 Pitt Street
Sydney NSW 2000
AUSTRALIA

Telephone: +61 2 8259 7100
Facsimile: +61 2 8259 7199
Website: www.lynascorp.com
ACN: 009 066 648

About Lynas Corporation Limited

Lynas owns the richest 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 suspended work on the Lynas Rare Earths project in February 2009. Lynas has received all environmental approvals to build a 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.

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.

For further information please contact Nicholas Curtis on +61 (0)2 8259 7100 or visit www.lynascorp.com

