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### **CHINESE RARE EARTHS EXPORT QUOTA REDUCED BY MORE THAN 20% IN 2008**

The Ministry of Commerce of the People's Republic of China has released 11,376 tonnes of approved Rare Earths export quota for the second half of 2008. The resulting total Rare Earths export quota for 2008 is 20% lower than the export quota approved in 2007.

Export quota on Rare Earths products was introduced by the Chinese government in 2003 to limit the export of China's strategic resource. The export quotas are released in two tranches – at the start of the year and at mid year. The tonnage of quota has been decreasing by approximately 10% each year. In 2006, the tonnage dropped to 48,000 tonnes, and by 2007 the export tonnage declined to 43,574 tonnes.

The Rare Earths export quota granted by the Chinese government for the second half of 2008 is 11,376 tonnes, which is half the quota tonnage that had been granted for the first six months of this year, 22,780 tonnes. The total export quota for 2008 is therefore 34,156 tonnes in total which is an unforeseen decrease of 21.6% or 9,419 tonnes from the total export tonnage of 2007.

Such regulatory constraints are adding to the current supply concerns as China supplies 95% of Rare Earths to the world. This reduction in export quota further raises questions about the sustainability of supply to products and applications which rely on Rare Earths, such as the hybrid vehicle and energy efficient light bulbs that are growing in significance in today's society.

Executive Chairman, Nicholas Curtis, believes that the reduction of the export quota will increase the opportunities for non-Chinese projects.

"With the Chinese government imposing these supply constricting regulations, it provides additional opportunity for Lynas to provide for the supply deficit. Lynas owns the richest deposit of Rare Earths outside of China at Mount Weld in Western Australia and the company is progressing well with mine and plant construction to be in a position to fill the void by the end of 2009", Mr Curtis says.

## About Lynas Corporation

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.

The first mining campaign is now complete. 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.

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