



12 April 2012

UPDATE ON CLAIMS MADE IN MALAYSIA

Lynas Corporation (ASX:LYC, OTC:LYSDY) is pleased to announce that the High Court of Malaya at Kuala Lumpur has denied an application for leave to apply for a judicial review of the decision of the Malaysian Atomic Energy Licensing Board to approve the granting of a Temporary Operating Licence to the Lynas Advanced Materials Plant (LAMP) in Malaysia. The application was referred to in Lynas' ASX announcement dated 23 February 2012.

Both Lynas and Malaysian Government opposed the application.

The Court ruled that because, as noted in Lynas' ASX announcement dated 9 March 2012, there is an appeal in process to the Minister of Innovation, Science and Technology, it would not be appropriate for the Court to intervene in the matter. Lynas understands that the appeal to the Minister will be heard in April 2012.

Lynas Executive Chairman Nicholas Curtis said although the Court had ruled in Lynas' favour the present controversy in Malaysia surrounding the project was undermining both the LAMP and Malaysia's international investment reputation.

"This concerted political campaign, which is based on misinformation, is sabotaging the science-based, regulatory process established in Malaysia and confidence in that process," Mr Curtis said.

"Since the project was first approved in 2007 the LAMP has been subjected to the highest degree of scrutiny and public comment. It has been reviewed and received approval from both the International Atomic Energy Agency and the Malaysian Atomic Energy Licensing board and every safety box has been ticked. So it is disappointing that the highest safety standards integrated into the plant to protect human and environmental safety are ignored by a few people."

"The LAMP is safe for everyone concerned and we look forward to the day when that will be recognised."

In particular, Mr Curtis said, the continued attempts to link Lynas' plant to Bukit Merah are without foundation.

The tin mine waste used as the feedstock at Bukit Merah are completely different to the Mt Weld rare earths used to feed the LAMP. The Bukit Merah feedstock had radiation levels 30 times higher than the LAMP feedstock and the residue at Bukit Merah was 100 times the radiation levels of the LAMP by-product.

Bukit Merah would not gain approval under either international or Malaysian regulatory standards today, in contrast to the LAMP which complies with both.



“It is disturbing that this baseless scare campaign has created unnecessary anxiety and fear in the community. However, we will continue to address that misinformation now, when we receive our TOL and when we commence operations at LAMP,” Mr Curtis said.

The next step in the extended approvals process Lynas is currently managing is the appeal to the Minister of Innovation, Science and Technology, as noted above.

“A country’s strict regulatory standards and investment reputation can be quickly undermined by an environmental activist campaign designed to stifle and frustrate investment by lodging vexatious legal challenges and appeals,” Mr Curtis said.

“The Malaysian Government must be able to provide certainty to Malaysian and international businesses that they will not be frustrated by a campaign of delay once those companies have completed the pre-defined and rigorous Malaysian Government regulatory approvals process.

“This misinformation campaign has frustrated Lynas, but our resolve and belief in the safety of the LAMP and the benefits that will flow once the LAMP can operate have not been diminished.”

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