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INCREASE OF CHINESE GOVERNMENT'S EXPORT TARIFF ON RARE EARTHS

Key Points:

- **Chinese export tariffs on Rare Earths increased to between 15% and 25%**
- **The export tariff increase on current prices would equate to an international market price of US\$12.82/kg of Rare Earths Oxide for the Mount Weld distribution**

The Chinese Government authorities announced increases of the export tariff on Rare Earths effective 1 January 2008. The export tariff, which was originally introduced 14 months ago at 10% for all Rare Earths, has been increased as follows:

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| ▪ Europium, Terbium, Dysprosium, Yttrium as oxides carbonates, or chlorides | 25% |
| ▪ All other Rare Earth oxides, carbonates, and chlorides | 15% |
| ▪ Neodymium as metal | 15% |
| ▪ All other Rare Earths metals | 25% |

The export tariff increase on current prices would equate to an international market price of US\$12.82/kg of Rare Earths Oxide for the Mount Weld distribution.

Lynas Corporation ("Lynas") (ASX code LYC) believes the increase of the export tariff highlights the shortage of Rare Earths and confirms the policy of the Chinese Government to protect the increasingly tight supply of Rare Earths in China. China is essentially the only current global source for these strategic elements until Lynas' Mount Weld project comes on stream in 2009.

"With Lynas' non China assets the company will benefit from these structural changes through the increase in the international price for these essential elements as well as continued international concern of security of Chinese supply" commented Executive Chairman, Nicholas Curtis.

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 mining contractor has commenced mining with first ore placed on the stockpiles in December 2007. Lynas is in the detailed design phase of an Advanced Materials Plant to be established by Lynas Malaysia Sdn Bhd 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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