

13 September 2010

Working Capital Facility – OCBC Bank (Malaysia) Berhad

Lynas Corporation Limited (ASX:LYC, OTC:LYSDY) is pleased to announce that the Lynas group of companies have accepted a letter of offer for the following working capital facilities from OCBC Bank (Malaysia) Berhad, which is equivalent to approximately A\$30,000,000:

<u>Type of Facilities</u>	<u>Limits</u>
Revolving Credit	RM50,000,000
Overdraft	RM10,000,000
Letters of Credit (sight/term 150 days)	(RM25,000,000)*
Bankers Acceptances (90 days)	(RM25,000,000)*
Shipping Guarantees	(RM25,000,000)*
Letter of Guarantee	(RM25,000,000)*
TOTAL	RM85,000,000

*Combined limits interchangeable with total outstanding not exceeding RM25,000,000.

These working capital facilities are unsecured. They will fund working capital requirements including those needed during the commissioning and ramp-up of the Lynas Advanced Materials Plant (LAMP) in Malaysia.

Engineering and construction of both the Concentration Plant in Western Australia and the LAMP remain within budget. The first feed of concentrate to the kiln at the LAMP in Malaysia remains on target for the third quarter of 2011.

These working capital facilities were foreshadowed in the Lynas ASX announcement dated 20 April 2010 and in the Lynas Quarterly Activities Report dated 29 April 2010. Lynas remains on track to fund completion of construction of the Concentration Plant in Western Australia and the LAMP in Malaysia from existing cash at bank (excluding these new working capital facilities).

About Lynas Corporation

Lynas owns the richest known 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 will concentrate the ore mined at Mount Weld in a Concentration Plant approximately 1.5km from the mine. The concentrate produced by the Concentration Plant will be shipped in sea



containers and transported by road and ship to the east coast of Malaysia to the Lynas Advanced Materials Plant (LAMP) within the Gebeng Industrial Estate, Kuantan, Pahang, Malaysia, to process the Mount Weld concentrate through to separated Rare Earths products

Engineering and construction of both the Concentration Plant in Western Australia and the LAMP remain within budget. The first feed of ore into the Concentration Plant in Western Australia is on target for early 2011. The first feed of concentrate to the kiln at the LAMP in Malaysia is on target for the third quarter of 2011. Lynas has received all required approvals to construct both plants.

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, with production anticipated to commence in 2011.

'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.

Lynas American Depositary Receipts (**ADRs**) trade under the code LYSDY (CUSIP number 551073208). Each Lynas ADR is equivalent to 10 ordinary shares of Lynas as traded on the Australian Securities Exchange (ASX). The Bank of New York Mellon is the depositary bank in respect of Lynas ADRs.

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