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## CHINESE RARE EARTHS EXPORT QUOTA REDUCED FOR FIRST HALF OF 2011

Lynas Corporation Limited ("Lynas") (ASX:LYC, OTC:LYSDY) notes that The Ministry of Commerce of the People's Republic of China has released 14,446 tonnes of approved Rare Earths export quota for the first half of 2011.

The total export quota for 2011 will be unknown until approximately July 2011 when the Ministry of Commerce is expected to release the export quota for the second half of 2011. However, comparing the first half of 2011 with the first half of 2010, the export cuts represent a cut of approximately 35%.

Below is a table setting out the Chinese Rare Earths export quota for foreign-invested firms and local firms for the last two years. The quota just released for the first half of 2011 includes export quota for both foreign-invested firms and local firms.

Chinese Rare Earths Export Quota for Foreign-Invested and Local Firms						
	2009 (1st half)	2009 (2nd half)	2009 Total	2010 (1st half)	2010 (2nd half)	2010 Total
Foreign-Invested	6,685	10,160	16,845	5,978	1,768	7,746
Local	15,043	18,257	33,300	16,305	6,208	22,513
<b>Total</b>	<b>21,728</b>	<b>28,417</b>	<b>50,145</b>	<b>22,283</b>	<b>7,976</b>	<b>30,259</b>

Export quotas continue to be a tool for the Chinese government to limit the export of China's strategic resource. The 2011 regulatory constraints of Rare Earths supply from China, which supplies over 90% of Rare Earths to the world, is a significant restraint in product available for export. Lynas Executive Chairman, Nicholas Curtis, said "The growth in the Chinese domestic market coupled with a decrease in production of Rare Earths in China is a likely cause for the tightening of export regulations. Again this provides additional opportunity for Lynas to meet the supply deficit outside of China. Lynas owns the richest known deposit of Rare Earths outside of China at Mount Weld in Western Australia and the company is progressing well to be in a position to commence production in Q3 2011".

## About Lynas Corporation

Lynas owns the richest known deposit of Rare Earths 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 will be shipped in sea containers to the east coast of Malaysia to the Lynas Advanced Materials Plant (LAMP) within the Gebeng Industrial Estate, Kuantan, Pahang, Malaysia, and processed through to separated Rare Earths products

Engineering and construction of both the Concentration Plant and the LAMP remain within budget. The first feed of ore into the Concentration Plant is on target for early 2011. The first feed of concentrate to the LAMP is on target for the third quarter of 2011.

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.

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.

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