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## Press Release

### Siemens and Lynas to form a joint venture for magnet production

The German Siemens Drive Technologies Division and the Australian Lynas Corporation Limited (“Lynas”) (ASX: LYC, OTC: LYSDY) have signed a letter of intent (“LOI”) to establish a joint venture company for the sustainable production of neodymium based rare earths magnets to serve Siemens’ production requirements for energy-efficient drive applications and wind-turbine generators. Lynas will provide raw materials for the joint venture, predominantly a combined neodymium/praseodymium metal, through a long term supply contract. The partnership between Siemens and Lynas will secure a long-term and sustainable end-to-end supply chain from mine to magnet to end application. The joint venture for magnet production will be led by Siemens with the planned shareholding to be 55% Siemens and 45% Lynas. Additional financial details of the JV are not available at this time.

Ralf-Michael Franke, CEO of the Siemens Drive Technologies Division, stated: „This planned joint venture would be an important strategic pillar for us to pursue a long-term and stable supply with high performance magnets. We are convinced that Lynas is the right partner for this intention.”

Lynas Executive Chairman, Nicholas Curtis, said: “Lynas is delighted that this first step is achieved to entering this long term partnership with Siemens, a market leader in their field of large drive technology. It is clear rare earths magnets have tremendous growth potential in this field, and Lynas is pleased to be able to provide the necessary ingredients of a stable, secure economically and environmentally sound supply chain which is required to enable this market to grow to its full potential.”

The Siemens Drive Technologies Division is the world's leading supplier of the entire drive train with electrical and mechanical components. Lynas is an ASX 100 listed company, executing its

strategy to create a reliable, fully integrated source of Rare Earths from mine through to market. Lynas is setting a new benchmark for the security of supply and environmental standards in the global Rare Earths industry. The recently completed IAEA review has confirmed that the Lynas plant in Malaysia, once completed later this year, is expected to be fully compliant with international standards.

The **Siemens Industry Sector** (Erlangen, Germany) is the worldwide leading supplier of environmentally friendly production, transportation and building technologies. With integrated automation technologies and comprehensive industry-specific solutions, Siemens increases the productivity, efficiency and flexibility of its customers in the fields of industry and infrastructure. In fiscal 2010, which ended on September 30, 2010, revenue from continuing operations of the Industry Sector (excluding Osram) totaled around €30.2 billion. At the end of September 2010, Siemens Industry Sector had around 164,000 employees worldwide without consideration of Osram. Further information is available on the Internet at: [www.siemens.com/industry](http://www.siemens.com/industry).

The **Siemens Drive Technologies Division** (Nuremberg, Germany) is the world's leading supplier of products, systems, applications and services for the entire drive train with electrical and mechanical components and motion control systems for production machinery as well as machine tools. Drive Technologies serves all segments in manufacturing industry, process industry and energy/infrastructure. The division provides answers to the customers' key requirements productivity, energy efficiency and reliability. In fiscal year 2010, around 36,000 employees of the Division (September 30), achieved total sales of €7.0 billion. [www.siemens.com/drivetechnologies](http://www.siemens.com/drivetechnologies)

### 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.

Construction of Phase 1 of the Lynas Rare Earths Project is being funded from existing cash of Lynas. Construction of Phase 2 of the Lynas Rare Earths Project will be funded from the Sojitz/JOGMEC facilities. The Concentration Plant in Western Australia commenced feed of ore on 14 May 2011. Practical completion and commissioning of the LAMP are scheduled to be achieved before the end of 2011. Lynas has received all required approvals to construct the LAMP, and is in the process of applying for all pre-operation and operation approvals.



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.

Lynas American Depositary Receipts (ADRs) trade under the code LYSDY (CUSIP number 551073208). The Bank of New York Mellon is the depositary bank in respect of Lynas ADRs.

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