

22 March 2012

Mr Nick Curtis

Chief Executive Officer

Lynas Corporation Ltd

Level 7, 56 Pitt Street

Sydney, NSW 2000

Dear Mr Curtis,

**Request For Appointment With The Chief Minister Of Penang**

I thank you for inviting me to meet for a discussion and update on the Lynas Advanced Materials Plant in Gebeng, Pahang, which was extended on behalf of you by Ms Jacey Lee of Ogilvy Public Relations Worldwide via email on 5 March 2012.

I had responded via the media on 6 March 2012, stating my decision not to accept your invitation in the public interest of the affected residents in Kuantan, Pahang who are concerned for their health and safety as a result of your company's operations in processing rare earth. Concerns by residents about radioactive wastes or effects spewing out from a processing factory owner has not been adequately addressed.

Before meeting me, it is imperative that you meet and engage the residents of Kuantan, as they are the affected people and therefore the direct stakeholders. I do not see how meeting the Chief Minister of Penang and not the affected residents is relevant or pertinent to the controversy at hand.

Secondly, the residents of Kuantan cannot comprehend how, despite various environmental concerns being raised, the Malaysian Government has seen fit to grant your company a 12-year tax holiday. This is notwithstanding the fact that storage issues related to the potentially radioactive waste and by-products from the processing of rare earth have not been resolved.

Until today, we have not been given any certainty on whether the waste will be stored locally or returned to Australia. By right instead of deserving a 12 year tax holiday for profits generated, Lynas should be paying a higher tax premium for environmental concerns.

However emphasis must be given that no amount of money can replace our health as well as those of our children. For that reason, the failure to consult with the public before construction begin and the desperate remedial steps taken by the Malaysian government is a pathetic attempt to cover-up serious public concerns about the safety and health issues. No member of the public seriously think that Lynas would stop processing rare earth when you have already spent RM 700 million for completing the construction.

I believe the questions above need to be answered before any discussions can take place. More importantly, you should answer these questions directly to the affected residents. Being from Australia, you will indeed appreciate that the process of public consultation is part and parcel of a democracy. In that spirit, Lynas should declare that they would not proceed with the facility if they are unable to satisfy the technical concerns and doubts of the affected residents.

Thank you.

Yours faithfully,

Lim Guan Eng

Chief Minister of Penang