

Joint Ministerial Statement On Lynas

by:

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Minister of International Trade and Industry**

**YB. Datuk Seri Panglima Dr. Maximus Johnity Ongkili,
Minister of Science, Technology and Innovation**

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Minister of Natural Resources and Environment**

**YB. Dato' Sri Liow Tiong Lai
Minister of Health**

1. As Ministers responsible for portfolios directly associated with Lynas' application to set up and operate its rare earth processing plant in Gebeng, Kuantan, we reiterate that public health and safety continue to be our utmost priority.
2. Any Permanent Disposal Facility (PDF) proposed by Lynas shall be located remotely and away from populated areas. All residue and waste water shall be fully treated meeting stipulated standards prior to discharge. There will be zero discharge of untreated industrial waste water.
3. Prior to the issuance of the Temporary Operating License (TOL), Lynas shall submit a letter of undertaking that it will accept a return of any residue generated by its factory in Gebeng to its original source.
4. We would like to announce that an independent monitoring unit will be formed to undertake a construction audit at the Lynas plant to ensure compliance to all standards imposed by the appropriate and relevant professional bodies.
5. As the public is aware, the Atomic Energy Licensing Board (AELB) announced its decision to award a TOL to Lynas (M) Sdn Bhd on February 1st 2012. Issuance, however, is subject to the company fulfilling these five conditions:
 - Lynas is required to submit to AELB details of the plans and location of a proposed permanent disposal facility that will manage the residue, if any, generated by the factory
 - This submission must be made within ten months from the date the TOL is issued
 - This requirement must be complied with regardless of any alternative proposal Lynas may make for the management or disposal of the factory residue (eg. recycling, conversion into products that can be sold, etc)
 - Lynas must agree to provide a USD 50 million security deposit to the Government
 - AELB has the right to appoint an independent expert assessor to evaluate Lynas' compliance with the safety and good practices requirements

The above conditions underscore the prime importance of public health and safety.

6. The government will continue to engage in a transparent and open manner. We have done so at every stage of this engagement - by inviting the International Atomic Energy

Agency (IAEA) to provide us with an independent assessment of the situation, by offering opportunities for public comment and feedback in the case of the IAEA visit and most recently, the public display of Lynas documents. We would like to encourage all concerned parties to visit the Lynas plant site and Lynas should do the necessary to facilitate this.

7. We are constantly listening to public views and will continue to address the concerns of the people. The government views the health and safety of the people as a matter of the highest priority and will do whatever it takes to safeguard public interest.

Date: 22 Feb 2012