

**Iluka today advises that it has brought forward the idling of one of its four synthetic rutile kilns in Western Australia to April 2009.**

In October 2008, Iluka announced that synthetic rutile kiln 4 (“SR04”), located at Iluka’s Narngulu processing facilities in the Mid West would be idled for an indefinite period from mid 2009.

The decision to bring forward the idling of SR04 is part of ongoing measures to improve further the efficiency of Iluka’s operational base, in the context of both responding to the impact of the global economic crisis and accommodating the commencement of new, higher value rutile production from Murray Basin Stage 2.

David Robb, Managing Director of Iluka stated: “Iluka’s operational flexibility has allowed the switching of synthetic rutile volumes between its Mid West and South West operations, while matching sales demand, thereby bringing forward the idling of the Mid West kiln, with a consequent savings in operational costs. Subject to kiln performance in the South West, it is expected that 2009 synthetic rutile production will be approximately 450 thousand tonnes, approximately five per cent lower than the company advised in its 2009 Commentary (refer ASX Release 19 February 2009). As advised at that time, the major uncertainty for Iluka in relation to 2009 relates to short term demand for the company’s products, through a combination of customer uncertainty about demand for their products and a logical desire, by those customers who are able to, to draw down on any existing inventories before committing to new product shipments”.

As a result of the decision to idle the kiln, it is expected that there will be 23 less Iluka employees and contractors required for the synthetic rutile operations. Iluka will seek to mitigate the impact on people involved, as it has done successfully with recent mine closures, via redeployment to other operations, where practicable to do so.

Regards

Rob

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