

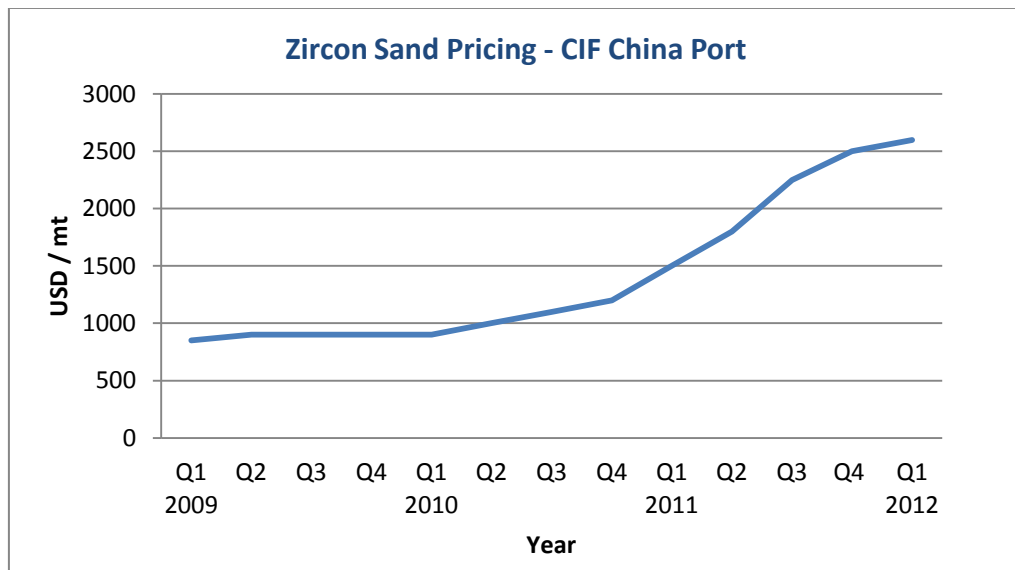
Zirconium Industry Update

April 2012

The price of zircon sand has remained steady over Q1 2012 with average prices at USD 2600/mt. Demand for Australian sand has been more sluggish due to a premium of USD 200-300mt over alternative origin material.

2011 saw strong price increases for zircon sand with prices starting the year at USD 1500/mt and finishing at USD 2500/mt. Q1 2012 has seen some more stable price levels around USD 2600/mt.

Demand for premium Australian sand has been slow with consumers looking at alternative sources including West Africa and Indonesia. The price for sand from these countries is currently around USD 2600/mt compared to Australian sand at USD 2800-2900/mt FOB China port.



The prices of zirconium oxides and zirconium chemicals produced from zircon sand have increased in line with zircon sand and were more stable during Q1 2012. It is expected prices for zirconium oxides and chemicals to remain steady in Q2 2012.