

Not for release or distribution in the United States

1 May 2009

INSTITUTIONAL SHARE PLACEMENT COMPLETED

Iluka Resources Limited ("Iluka") today advised that it has completed an institutional share placement raising \$114 million through the placement of 38 million ordinary shares at an issue price of \$3.00 per share.

The issue price represents a nine per cent discount to the closing share price of \$3.30 per share on 30 April 2009, the day immediately prior to the placement.

The placement was made to a number of Iluka's larger and generally longer term institutional shareholders, based both in Australia and internationally.

David Robb, Iluka's Managing Director stated: "The share placement was considered a prudent step, in combination with the potential proceeds from the sale of Iluka's 51.04 per cent interest in Consolidated Rutile Limited, to further increase Iluka's funding headroom during a period of unprecedented global market uncertainty and in a year of peak capital expenditure for the company, associated with the Murray Basin Stage 2 and Jacinth-Ambrosia projects."

"Iluka's major shareholders have continued to indicate their support for the company and, in the circumstances, an institutional placement was considered the most effective course."

Settlement of the placement is expected to occur on 6 May 2009, with new shares allotted on 7 May 2009 and expected to commence trading on that date.

Gresham Advisory Partners Limited acted as financial advisor and Allens Arthur Robinson acted as legal advisor to Iluka.

Investment market and media inquiries

Dr Robert Porter
General Manager, Investor Relations and Corporate Affairs
Phone: + 61 8 9360 4751
Mobile: +61 (0) 407 391 829
Email: robert.porter@iluka.com

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer of securities for sale in the United States and any securities described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration.