Notice to the Australian Stock Exchange

ILUKA

27 March 2007

Iluka Resources Limited
2006 Annual Report

Iluka Resources Limited today lodged its 2006 Concise Annual Report and Financial Report with the Australian Stock Exchange. The notice for the company's 52^{nd} Annual General Meeting of Shareholders to be held on Thursday 17 2007 May in Perth, has also been lodged.

The reports and notice of meeting are available on Iluka's website (www.iluka.com) . These documents are in process of being printed and will be despatched to shareholders who have requested copies on or before 11 April 2007.

The Notice of Annual General Meeting includes the following items:

1. Receipt and consideration of the annual financial report, directors' report and auditor's report for the company and its controlled entities for the year ended 31 December 2006
2. Re-election of Directors – Dr Every and election of Mr Gavin Rezos
3. Approval of certain termination payments payable to Mr David Robb, Managing Director of the company
4. Remuneration Report.

The company has undertaken a comprehensive review of the design and management of its variable remuneration arrangements. These are detailed in the Remuneration Report section of the Concise Annual Report. A number of changes approved by the Board are designed to ensure that incentive arrangements, both long-term and short-term, for executives and senior management, are closely aligned with shareholder value creation measures.

Specifically, a greater focus is placed on financial performance measures, including return on capital, EBIT and NPAT, for the determination of short term incentive payments. Provided performance measures are achieved, half of the short term award will be in cash and the other half granted on a deferred basis in the form of restricted shares (fifty per cent of which vest after one year and the remaining fifty per cent after two years). The long term incentive arrangement has two key performance measures: return on equity and total shareholder return (as measured by a comparator group comprising the ASX Materials Index and the ASX Mid Cap 50 Index, excluding property trusts and duplications). Vesting of share rights under the long term incentive arrangements will be subject to achievement of minimum performance criteria over three years.

Investment Market & Media Enquiries

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