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GALAXY FINALISES LONG TERM SHIPPING ARRANGEMENTS TO CHINA

Highlights

- Five year shipping contract signed with Pacific Basin Shipping Limited
- Attractive fixed price contract well below DFS estimates
- Shipping security of spodumene concentrate established

Emerging lithium producer, Galaxy Resources Limited (ASX: GXY), today finalised a long term contract for the shipping of spodumene concentrate to China with Hong Kong based company, Pacific Basin Shipping Limited (Pacific Basin).

The Pacific Basin shipping contract provides a five year fixed price arrangement to ship Galaxy's spodumene concentrate from Esperance Port in Western Australia to Zhangjiagang Port, Jiangsu Province in China.

Galaxy Resources Managing Director, Mr Iggy Tan, said the contract delivered both cost efficiencies and long term security for Galaxy customers and shareholders.

"We are very pleased to fix an important variable component of our costs for the next five years," Mr Tan said. "The ocean freight rates agreed with Pacific Basin are attractive and below our definitive feasibility study expectations."

Pacific Basin is one of the world's leading owners and operators of modern handysize and handymax dry bulk vessels, operating a large, uniform fleet of geared bulk carriers with sizes ranging from 25,000 to 60,000 deadweight tonnes.

Listed on the Hong Kong Stock Exchange in 2004, Pacific Basin primarily operates in the Asia Pacific region but has offices in all major markets, allowing the Company to provide global, round-the clock service to its customers which are mainly blue-chip producers and end-users of industrial commodities.

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About Galaxy (ASX: GXY)

Galaxy Resources is a Western Australian company which is soon to become one of the world's leading producers of lithium – the essential component for powering the world's fast expanding fleet of hybrid and electric cars.

By 2010, GXY's Mt Cattlin mine will be the world's second largest hard rock producer of lithium and, through the development of its value adding lithium carbonate plant (17,000 tpa), the Company will be the largest and lowest cost lithium producer in China.

Lithium concentrate and lithium carbonate materials are forecast to be in short supply against high future demand due to advances in long life batteries and sophisticated electronics including mobile phones and computers. Galaxy Resources has positioned itself to meet this lithium future by not only mining the lithium but by downstream processing to supply lithium carbonate to the lucrative Asian market.