

31 March 2011

Ms Jill Hewitt  
Senior Adviser Listings  
ASX Compliance  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Ms Hewitt,

### **RESPONSE TO ASX PRICE AND VOLUME QUERY**

Iluka Resources Limited (“Iluka”) advises that it is aware of recent published broker research that reflects mineral sands industry consultant commentary made to institutional investors relating to the consultant’s forecasts for zircon and titanium ore prices. Iluka has not been party to these discussions or forecasts.

The company is also aware of recent titanium dioxide feedstock customer commentary to investors in North America, regarding their business performance and raw material pricing pressures.

It should be noted that Iluka does not provide pricing forecasts for its products. Nor does the company endorse or comment on external views on mineral sands pricing forecasts.

Iluka’s zircon prices have, over recent periods, been established predominantly on a quarterly basis. Iluka’s titanium feedstock prices are agreed with its customers predominantly on a six monthly basis, with the next pricing discussions with titanium feedstock customers planned to commence in May/June this year.

The company’s practice, consistent with its Continuous Disclosure obligations, is to keep the market informed of material changes in product prices when those pricing outcomes are realised for its products.

Other than as noted above, Iluka is not aware of any other explanation for the change in the company’s share price and trading volume.

As requested, Iluka confirms that it is compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully,



**Cameron Wilson**  
**Company Secretary**