



STOCK EXCHANGE ANNOUNCEMENT

MANAGING DIRECTOR UPDATE

23 January 2008

As previously announced to the ASX, Grange Resources Limited (ASX: GRR) advises that Mr Geoff Wedlock resigned as Managing Director from the company yesterday.

Grange Resources Chairman, Mr Anthony Bohnenn, said that the recruitment process for a successor began last quarter and is now well advanced.

"The Board has been very pleased with the high quality of the candidates for the position we have reviewed to date," said Mr Bohnenn.

"We look forward to announcing the successful candidate in the near future."

"Grange has now entered a very exciting phase as we continue to progress the Southdown Magnetite and Kemaman Pellet Project towards construction, along with Sojitz, our Joint Venture partner."

"Our new Managing Director will play an important role in this activity, as the MD leads the existing team at Grange in driving development of the project," he said.

Pending the announcement of the successful candidate, Mr Neil Marston, currently General Manager – Commercial, has been appointed as Acting Chief Executive Officer for Grange Resources.

ANTHONY BOHNENN

Chairman

FOR FURTHER INFORMATION PLEASE CONTACT:

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Project Background

Grange Resources and Sojitz Corporation jointly own the Southdown Magnetite and Kemaman Pellet Project has been the subject of ongoing feasibility studies since January 2005. The Project comprises a magnetite mine and concentrator at Southdown, Western Australia, a slurry pipeline from Southdown to the Port of Albany with storage and shipping facilities at the port and a pellet plant at Kemaman on the east coast of peninsular Malaysia.

Grange Resources owns 70% of the Southdown Magnetite and Kemaman Pellet Project. The majority of the data and testwork required for a Feasibility Study is complete, with the exception of a "basket test", and therefore the key drivers of the value of the project are now well understood. The contractual arrangements for the identified infrastructure requirements for the project (power, water and port) are close to finalisation with the relevant parties.

In June 2007 Grange announced that a wholly owned subsidiary of the Japanese trading company Sojitz Corporation had entered into a Joint Venture Agreement with the company to become a 30% equity participant in the Southdown Project. Under the agreement Sojitz will fund US\$10 million of pre-commitment development expenditure including detailed engineering and design and establishing project funding arrangements. Teams from Grange and Sojitz are working closely together to complete pre-commitment development activities and negotiate with other parties to complete the Joint Venture.

Sojitz is one of Japan's leading trading companies with revenues of AUD\$52 billion, net assets of AUD\$4.9 billion and a market capitalisation of AUD\$5.8 billion. With 103 offices and over 18,000 employees worldwide, Sojitz has a substantial global presence in iron ore, and is one of the leading firms in the iron ore pellet market.

The magnetite deposit at Southdown is approximately 12km in length, with the mining leases held by Grange and Sojitz covering the western 6km. The eastern 6km of the Deposit is held by Grange under an exploration licence (E70/2512) that was purchased from Rio Tinto in 2007. In 2006 Grange announced that the mining leases (M70/433, M70/718 and M70/719) contain a JORC compliant resource of 479Mt grading 37.3% magnetite of which 427Mt grading 38.2% magnetite is classified as an Indicated Resource and 52Mt grading 30.1% magnetite is classified as an Inferred Resource. Drilling undertaken by Rio Tinto has confirmed the continuity of the mineralisation over the eastern 6km of the deposit.