



GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

STOCK EXCHANGE ANNOUNCEMENT

MOU SIGNED ON SOUTHDOWN PORT & PIPELINE INFRASTRUCTURE

9 July 2007

Grange Resources Limited (ASX:GRR) ("Grange") is pleased to announce the signing of an exclusive Memorandum of Understanding ("MOU") with Patrick Ports ("Patrick") on the development of product handling infrastructure relating to the Southdown Magnetite Project at Albany in Western Australia.

Grange and Patrick have agreed that they will work together to explore an appropriate contractual relationship to allow for the development, construction and operation of parts of the infrastructure required for the Project. A variety of contractual relationships are under consideration which could result in substantial up-front capital cost savings to the Southdown Magnetite Project.

Elements of the infrastructure that are being considered under the MOU include the magnetite concentrate slurry and return water pipeline systems and all Albany Port infrastructure including the filter plant, storage shed, product handling conveyor systems, shiploader and jetty. The current combined capital cost of this infrastructure is approximately A\$300 million.

Patrick is Australia's leading provider of port based bulk handling facilities, operating in over 20 ports, including existing bulk handling facilities at Albany.

Commenting on the MOU, Grange's Chairman Anthony Bohnenn said the arrangement with Patrick offered Grange and its partners the potential to achieve substantial capital costs savings for the Project.

"We are very pleased to be in discussions with such an experienced and reliable operator, so that we can work towards constructing the most state-of-the-art, reliable and efficient handling facilities possible at the Albany Port," said Mr Bohnenn.

"The MOU contemplates Patrick looking after all product handling from the Southdown mine site onto the ships in Albany Port, which is of great benefit to Grange," he said, "We have been in dialogue with Patrick for some time and are pleased to reach this agreement with them."

"The MOU announced today continues our progress towards project completion in late 2010, following from our recent Joint Venture agreement with Sojitz. We continue to work closely with Sojitz to complete pre-commitment development activities, as well as to explore suitable project financing options."

Grange looks forward to commencing construction in 2008, with first production scheduled to be shipped through the expanded Albany Port in late 2010.

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About Patrick Ports Pty Ltd

Patrick Ports, either through direct ownership or operating agreements, manages in excess of \$0.5 billion of Port related infrastructure assets across Australia. Its core business is the management of Ports and the development, construction and management of infrastructure associated with the movement of bulk materials from point of delivery to ship. Patrick Ports has successfully delivered a number of major projects in recent years including storage facilities in Geelong, a woodchip export terminal in Albany, a shore based crane on Christmas Island, an innovative ship loader in Adelaide and is finalising a tender for a new berth and ship loader in Geelong.

Patrick Ports manages Victoria's second busiest port, Geelong, along with the Port of Hastings, as well as the ports of Christmas and Cocos Island. Patrick Ports also operates and maintains port-related infrastructure within the Ports of Albany, Geraldton and Adelaide on behalf of joint venture partners or key customers.

About Grange Resources Limited

Grange Resources Limited ("Grange") is a Western Australian based mining and exploration company listed on the Australian Stock Exchange (ASX Code: GRR). Grange's primary objective is to develop the Southdown Magnetite (Iron Ore) and Kemaman Pellet Plant Project.

Grange acquired the Southdown mining leases in 2003. In 2004 a Scoping Study on the Southdown Magnetite and Kemaman Pellet Plant Project identified the potential for an economic development of the resource. Accordingly in January 2005 Grange commenced a full Bankable Feasibility Study including seeking environmental approval for the Project. The Project is expected to produce 6.8 million tonnes of pellets per annum over 22 years, with capital costs of US\$1.175b (AUD \$1.43b) and annual revenues of around US\$700m (AUD\$850m) based on current iron ore prices. On 31 May 2007 Grange announced that it has entered into a binding Joint Venture Implementation Agreement with a wholly owned subsidiary of Japanese trading company Sojitz Corporation to become a 30% joint venture partner in the Project.

Grange's other projects include:

- Bukit Ibam Iron Ore Mine (Malaysia) (Grange earning 51%) – Commissioning of processing plant completed.
- Red Hill Mine (WA) - Grange 4% gross revenue gold royalty (managed by Barrick Gold).
- Freshwater Gold Project (WA) - Grange gold royalty (managed by Barrick Gold).
- Inderapura Coal Project (Indonesia) - JV with Coziron Resources Limited.
- Wembley Gold Project (WA) - Grange 100%.

For further information visit the Grange website at www.grangeresources.com.au or alternatively contact Anthony Bohnenn or Neil Marston on + 61 (8) 9321 1118.



NEIL MARSTON
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