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GRANGE & BLUESCOPE STEEL AGREE A US\$150 / TONNE INTERIM PRICE FOR IRON ORE PELLETS

Grange Resources Limited ("Grange"), Australia's leading magnetite producer, is pleased to announce it has agreed to a US\$150 per dry metric tonne interim price with BlueScope Steel (BlueScope) for iron ore pellets delivered from Grange's Port Latta facility during the quarter commencing 1 July 2010.

Unlike most iron ore sales contract years which run from April - March, the contract year for Grange sales to BlueScope operates from July - June. Grange is contracted to provide BlueScope with 800,000 tonnes per annum of blast furnace pellets until 30 June 2012.

The interim price represents an increase of 107% on the previous annual iron ore pellet benchmark price.

Grange CEO, Russell Clark, said that the increased interim pricing arrangement recognises the rise in spot iron ore prices since March 2010.

"In addition to agreeing an interim price, we are also discussing a new pricing mechanism with BlueScope that would operate for the remaining two years of our current contract. The agreement on an interim price guarantees enhanced revenue whilst we finalise the new pricing mechanism going forward" said Mr Clark.

Since the demise of the traditional annual iron ore benchmark pricing methodology, Grange has been negotiating with the company's major contracted customers, Shagang and BlueScope, to secure ongoing pricing arrangements based on the newly constituted iron index methodology which has been widely adopted by the major iron ore suppliers. Negotiations to this end have been finalised with Shagang, and Grange continues negotiations with BlueScope to secure a similar ongoing pricing methodology.

As a number of magnetite projects are being developed in Australia, Grange has the distinct advantage of being an experienced operator and cash producer of magnetite as it finalises the plans for its Southdown Project. Grange is Australia's leading magnetite producer, producing approximately 2.3 million tonnes of premium iron ore pellets per annum.

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