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ASX: GRR



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CLARIFICATION OF GRANGE RESOURCES' IRON ORE OFFTAKE TO BLUESCOPE STEEL ANNOUNCEMENT ON 23 AUGUST 2011

Grange Resources Limited (**Grange** or the **Company**), Australia's leading magnetite producer, yesterday confirmed that it has a contract with BlueScope Steel for the delivery of 800,000 tonnes of iron ore pellets in the year 1st July 2011 to 30th June 2012 from its Savage River operations.

On 22nd August 2011, BlueScope Steel advised the market that it planned to shut down its No.6 blast furnace at Port Kembla, with overall steel production to reduce to 2.6 million tonnes per annum from early October, 2011.

Grange has advised it is working with BlueScope to assess the impact of BlueScope's planned production changes on its requirements for Savage River Pellets from October 2011 to June 2012. Grange advised this may include assistance for "onselling" a portion of remaining contracted offtake that BlueScope may determine is not required for its steel making at Port Kembla.

Grange advises that it does not expect to suffer any financial loss as a result of BlueScope determining its revised requirements, and potentially on-selling offtake to other customers. Grange's contract with BlueScope is fixed term with a pricing mechanism that has previously been agreed. Grange is confident that the contract terms will be met by BlueScope.

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