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## GRANGE RESOURCES' IRON ORE OFFTAKE TO BLUESCOPE STEEL

Grange Resources Limited (**Grange** or the **Company**), Australia's leading magnetite producer, confirms that it has a contract with BlueScope Steel for the delivery of 800,000 tonnes of iron ore pellets in the year 1<sup>st</sup> July 2011 to 30<sup>th</sup> June 2012 from its Savage River operations. During this financial year BlueScope Steel has been purchasing its full contracted offtake from the Savage River operations.

On 22<sup>nd</sup> 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 is working with BlueScope to assess the impact of their planned production changes on their requirements for Savage River Pellets from October 2011 to June 2012. 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.

The pellet contract with BlueScope will expire in July 2012, when Shagang, China's largest private steel mill, will increase its offtake from approximately 1.2 million tonnes per annum to over 2 million tonnes per annum.

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