18 January 2010

EPA RECOMMENDS APPROVAL OF ALBANY PORT EXPANSION PROJECT

Grange Resources Limited (ASX: GRR, Grange) is pleased to announce that the Western Australian Environmental Protection Authority (EPA) has today recommended that the Albany Port Expansion Project receive environmental approval.

This is another significant milestone for Grange and the Southdown project near Albany in Western Australia. The Albany Port Expansion Project will allow the port to cater for Cape Size vessels, supporting the proposed export of iron ore concentrate from Grange’s Southdown iron ore mine.

The use of the larger Cape Size vessels will contribute to shipping and operational efficiencies, as well as reducing by two thirds the shipping movements required in the Albany harbour compared to the current smaller vessels.

The published EPA bulletin will now be considered by the West Australian Minister for the Environment for the final ministerial approval process.

With environmental approval already in place for the mine site and pipeline to Albany, together with the power transmission line to the Southdown mine site, and for the Malaysian Pellet plant site, ministerial approval of the port expansion will be the last major approval necessary for this large project to proceed.

The Southdown project is predicted to employ over 600 people on a permanent basis in the local Albany region, with a potential mine life in excess of 30 years. A construction workforce of 1000 people is expected.

Figure 1 - Albany Port showing proposed location of new Berth in foreground.
Grange Managing Director Russell Clark said the release of the Bulletin was the culmination of extensive scientific studies, community consultation and submissions to the EPA.

"After an enormous amount of work and scientific study, we are delighted the project has now reached this important development stage, which is a major step forward in bringing Southdown into commercial operation," said Mr Clark.

The expansion involves the removal of sand to create a new berth at the Port and widening and deepening of the entrance channel. "We've undertaken significant scientific studies to give the EPA the high degree of confidence it requires to recommend approval of the expansion and related channel deepening," said Mr Clark.

The scientific studies undertaken have included state of the art water current modelling incorporating the latest meteorological, ocean energy and bathymetry data, marine benthic habitat studies and the production of a management plan for the channel work incorporating all local parameters.

The channel to be deepened consists of clean sandy material and as such, remobilisation of material is not an environmental risk.

The site chosen for the material removed from the channel has been selected as it is the most stable site for the relocated sand and is almost double the depth of the previous deepest disposal site in Western Australia.

Stringent operating procedures are in place as part of the EPA approval, including protocols for when whales and other large marine life are present in the operational area. The operational parameters recommended for approval by the EPA are designed to protect and respect the local marine life, environment and associated local businesses.

The expansion will also provide benefits for other port users, with potential for reduced operating costs.

"Albany Port has played a significant role in the development of the City of Albany, and the expansion will ensure that the Port continues to make an important contribution to the city and local region into the future," said Mr Clark.

Grange is Australia’s leading magnetite producer, through its Savage River iron ore mine and Port Latta operations in Tasmania. Port Latta is currently Australia’s largest producer of iron ore pellets. Grange will use the expertise gleaned at Savage River as it develops the Southdown project.

For further information visit the Grange website at www.grangeresources.com.au
The EPA Report is available on the EPA website at epa.wa.gov.au

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