



GRANGE
RESOURCES LIMITED
ABN 80 009 132 405

MEDIA AND STOCK EXCHANGE ANNOUNCEMENT

**ALTERNATE POWER LINE SOLUTIONS FOR SOUTHDOWN
MAGNETITE PROJECT TO BE ASSESSED**

15 March 2007

Grange Resources Limited is pleased to announce the commencement of an assessment of alternate power transmission line solutions for its Southdown Magnetite project located 90km east of Albany in Western Australia.

Western Power has engaged consultants GHD Pty Ltd to undertake the community and stakeholder consultation part of the assessment which is scheduled to run until October 2007.

The assessment includes examining the viability of the project initially receiving power from Muja via Albany to Southdown, as opposed to the current proposed direct route, which requires construction of a new 220kv transmission line from the Muja area direct to Southdown.

Grange and Western Power have recently assessed the forecast availability of power from the grid at Albany in the period 2009 to 2012 with a view to Grange adopting a staged development of the Southdown Project which would require less power during that time.

Grange has commenced a study on the staged mine development, the results of which should be available by July 2007. Importantly, this option does not affect Grange's forecast mining start-up at the end of 2009. It would potentially also reduce initial power costs as well as initial capital requirements for the Southdown mining operation.

Grange Managing Director Geoff Wedlock said in revisiting Southdown's power solutions Grange had taken on board business, community and planning considerations in order to provide the best outcome for all stakeholders.

"Depending on the outcome of the Western Power review, not only will the local community benefit from increased power access, but Grange could see a reduction in both the overall power costs and initial capex requirements at Southdown, which is a real plus for the project in the current high-cost environment," Mr Wedlock said.

Under the current power proposal, Western Power is to construct a new transmission line direct to Southdown – which passes through the rural areas of Kojonup, Broomehill, Gnowangerup and Borden and north of the Stirling Ranges – for use by the end of 2009 when mining and processing is planned to commence.

In addition to the direct transmission line proposal, Western Power has a longer term plan to construct a new transmission line to Albany by 2012 to meet the growing demand for power in the Great Southern region.

Western Power has indicated that, in the new regulated market, it was unlikely to receive approval to increase expenditure and expand its planned Albany line to accommodate the proposed new transmission line for Grange before Grange had completed its approvals process.

Since mid-2006 Western Power has been consulting with the community on the direct transmission line route to Southdown. A strong message raised during this consultation phase was that the transmission line to Albany and the Southdown transmission line should be combined if at all possible.

Until the results of the staged mine development study are available, the approvals process on the direct transmission line option will continue.

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