GRANGE RESOURCES LIMITED
ABN 80 009 132 405

ASX RELEASE **25TH September 2008**

GRANGE RESOURCES AND AUSTRALIAN BULK MINERALS MERGE TO CREATE A NEW A$1 BILLION AUSTRALIAN IRON ORE GROUP

Dear Investor,

Further to the release of our notice to the Australian Stock Exchange this morning, please find attached some more detail in the form of Fact Sheets.

These sheets provide relevant background information on:

- Australian Bulk Minerals
- Australian Bulk Minerals Shareholders
- Grange Resources Limited

Please contact our Perth office on +61 8 9321 1118 or email me on ManagingDirector@grangeresources.com.au should you require any further information.

Yours sincerely,

RUSSELL CLARK
Managing Director

P.O. Box 7025, Cloisters Square, Perth 6850
Level 11, 200 St Georges Tce, Perth, Western Australia 6000
Telephone +61 8 9321 1118 Facsimile +61 8 9321 1523 Email info@grnl.com.au www.grangeresources.com.au

KEY FACTS

Major Shareholders	
Jiangsu Shagang Group	61.2%
RGL Group	18.0%
Pacific Minerals	10.8%
Stemcor Pellets	10.0%

Key Management	
Managing Director	Dave Sandy
GM Operations	Brian Burdett
GM Projects	Ross Carpenter
GM Services	John Galbraith
Chief Financial Officer	Bruce Lorking

Savage River Project	
Mine Location	Savage River, Tasmania
Pellet Plant / Port Location	Port Latta, Tasmania
Capacity	2.3mtpa concentrate
Resources	323Mt at 50.5% DTR
Reserves	131Mt at 48.9% DTR
Current Planned Mine Life Remaining	14 years
Operating Costs	US$53.65/t pellets (at 0.80 exchange rate)

Other Projects	
Long Plains Magnetite Deposit	6 kilometres south of Savage River

FURTHER INFORMATION

Dave Sandy	John McGlue
Australian Bulk Minerals	Porter Novelli
+61 3 6432 3377	+61 8 9386 1233

www.ausbm.com.au

Savage River Project

Location

- The Savage River Project is an operating magnetite mine, covering 2,400 hectares in northern Tasmania. It comprises:
  - Several open pit mines, concentrator and other associated infrastructure at Savage River;
  - An 83 kilometre slurry pipeline to Port Latta; and
  - A pellet plant and dedicated port facilities at Port Latta

History

- Magnetite mineralisation was first discovered at Savage River in 1887
- Savage River commenced operation in 1967, under a 30 year lease by Pickands Mather & Co. International
- Upon completion of the lease in 1997, Savage River was returned to Tasmanian Government. In that year, the project was acquired by ABM
- Purchased by current owners, Shagang Mining Australia Pty Ltd, in Aug 07

Resources and Reserves

- Savage River contains Mineral Resources and Ore Reserve as set out below.

Mineral Resource	Tonnes (Mt)	Grade (%DTR)
Measured	92.84	52.0
Indicated	138.17	51.8
Inferred	92.22	47.2
TOTAL	323.23	50.5

Ore Reserve	Tonnes (Mt)	Grade (%DTR)
Proved	56.92	48.7
Probable	74.11	49.0
TOTAL	**131.02**	**48.9**

Operations

- Mining activities in the open pit involve the use of conventional off-highway rear-dump trucks and hydraulic excavators, with drilling and blasting being used to prepare the ground ahead of mining
- Ore is crushed and concentrated onsite at Savage River and is transported via a slurry pipeline to Port Latta, where blast furnace pellets are produced. The pellets are sold to steel producers in Australia and Asia under long term supply contracts
- The operation currently produces around 2.3 million tonnes pellets per annum, with a small amount of concentrate and chips also sold under contract
- The current mine plan provides for a life of 14 years and uses 70mt of the estimated reserve. Utilising the entire ore reserve, Savage River has a mine life in excess of 25 years
- ABM is also examining the potential of expanding the operation to 2.9mtpa of concentrate. Minimal capital expenditure will be required as the concentrator and pipeline were originally constructed for this capacity
- Since Savage River was acquired by its current owners in August 2007, A$106 million has been spent on project improvements

Fact Sheet – ABM Shareholders

Shagang (Jiangsu Shagang Group) – 61.2%

- Jiangsu Shagang Group is a leading privately owned Chinese steel producer
- Established in 1975
- In 2007, ranked No.3 steel producer and largest private steel company in China, and No.7 in the world, manufacturing 22.9Mt of crude steel
- 2007 turnover of RMB115.5bn (US$16.9bn) and 2007 profit before tax of RMB 14.5bn (US$2.1bn)
- Recent acquisitions include:
  - In 2006, Shagang acquired Jiangsu Huaigang Group Co Ltd, a specialty steel producer
  - In 2007, Shagang acquired Henan Anyang Yongxin Iron and Steel Co Ltd. and Jiangsu Yonggang Group, making it China's No.3 steel producer, behind Baosteel Group and Anshan Group
- Products include:
  - Hot rolled coils
  - High speed wire rod
  - Special steel
  - Stainless (JV with POSCO);
  - Galvanized steel sheet
  - Bar and rod
  - Heavy wide plate
- Chairman Wenrong Shen owns 29.8% of the group, with the remainder owned by management and others (i.e. 100% privately owned).

RGL (Rui Gang Lian) – 18.0%

- RGL is incorporated in the People's Republic of China
- Conducts business in the area of commodity importing and exporting (including acting as an agent in importing and exporting), production of ferro alloys, logistics, storage service, economic information consultation and the sale of products such as:
  - Timber
  - Iron
  - Steel
  - Minerals
  - Mechanical and electrical equipment
  - Automotive fittings
  - Chemical products (excluding dangerous chemicals and precursor chemicals in Category 1)
  - Lubricants
  - Coke
  - Paper pulp
- The major shareholder in RGL is Shanghai Huaxi Industry Co Ltd, which holds 75.5% of the shares
- The balance of the shares in RGL are held by minority interests

PML (Pacific Minerals Limited) – 10.8%

- PML is a private company incorporated in Hong Kong, in the People's Republic of China
- Principally engaged in the provision of support services to the steel-making industry, providing end-to-end supply chain management consisting of the trading of steel-making raw materials, primarily iron ore and coking coal, sourced from Brazil, Australia, Canada and South Africa and distributed into the People's Republic of China
- PML also provides logistical solutions advice and other consultancy services, typically serving small to medium sized steel mills
- PML is wholly owned by Pacific International Business Ltd, which is registered in the British Virgin Islands
- The shares in Pacific International Business Ltd are 100% held by Mr Cheung KO
- Mr Cheung KO is the president of PML and the sole shareholder of PML.

Stemcor Pellets Limited – 10.0%

- Stemcor Pellets Limited is a wholly owned subsidiary of international steel trader Stemcor
- Stemcor is the world's largest independent steel trader with core competencies in:
  - Raw materials
  - Steel trading
  - Distribution
  - Stockholding
  - Finance
- Stemcor handled over 20 million tonnes of steel and raw materials in 2007 and had a turnover in excess of $8.5 billion.
- Established in 1951 and headquartered in London with a global network comprising 1,100 people in 70 offices and 40 countries.
- Majority owned by one family and the balance by staff.

FOR FURTHER INFORMATION

Dave Sandy	John McGlue
Australian Bulk Minerals	Porter Novelli
+61 3 6432 3377	+61 8 9386 1233

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KEY FACTS

Market Stats (24/9/09)	
Shares on issue	115.3m
Share price	$1.89
Market cap	$218m
Major Shareholders	
Anthony Bohnenn	11.8%
Rio Tinto	7.9%
Board of Directors	
Chairman	Anthony Bohnenn
Managing Director	Russell Clark
Technical Director	Alex Nutter
Non-Executive Director	Richard Krasnoff
Non-Executive Director	Douglas Stewart
Non-Executive Director	David Macoboy
Southdown Magnetite and Kemaman Pellet Plant Project	
Deposit Location	Southdown, WA
Proposed Pellet Plant Location	Kemaman, Malaysia
Resources	479Mt at 37.3% DTR
Reserves	388Mt at 35.5% DTR
Production Start	2012/2013
Capital Expenditure	US$1.6b
Operating Costs	US$67.50/t pellets
Other Projects	
Bukit Ibam (51%)	Malaysia
Freshwater (Royalty)	Western Australia
Red Hill (Royalty)	Western Australia
Durack (100%)	Western Australia
Murchison Copper Mines (79.2%)	Western Australia

FURTHER INFORMATION

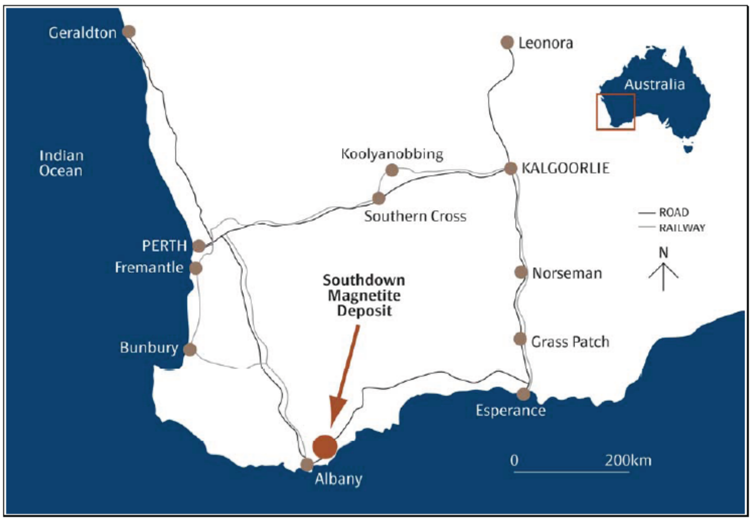
Neil Marston	John McGlue
Grange Resources	Porter Novelli
+61 8 9321 1118	+61 8 9386 1233

www.grangeresources.com.au

Southdown Magnetite and Kemaman Pellet Project

Location

- Southdown is located 90 kilometres northeast of the Port of Albany on the south coast of Western Australia
- The deposit is approximately 12 kilometres in length and is the largest known premium quality magnetite deposit of its kind in southern Western Australia. It comprises:
  - Three granted mining leases covering the western 6 kilometre section of the deposit, subject to a joint venture between Grange (70%) and Sojitz Corporation (30%); and
  - A 100% owned Exploration Licence E70/2512 covering the eastern 6 kilometre extension of the deposit, acquired from Rio Tinto in September 2007.



Resources and Reserves

- Southdown contains a Mineral Resource and Ore Reserve within the mining leases, as set out below:

Mineral Resource

	Tonnes (Mt)	Grade (%DTR)	Conc. Fe%	Conc. SiO_2%	Conc. Al_2O_3%	Conc. TiO_2%	Conc. S%	Conc. P%
Measured								
Indicated	427.3	38.2	69.2	1.9	1.4	0.37	0.42	0.002
Inferred	51.8	30.1	69.0	2.0	1.3	0.44	0.63	0.003
TOTAL	**479.1**	**37.3**	**69.2**	**1.9**	**1.3**	**0.37**	**0.44**	**0.002**

Ore Reserve

	Tonnes (Mt)	Grade (%DTR)	Conc. (Mt)	Conc. Fe%	Conc. SiO_2%	Conc. Al_2O_3%	Conc. TiO_2%	Conc. S%	Conc. P%
Proved									
Probable	388	35.5	131	68.8	2.06	1.41	0.45	0.55	0.003
TOTAL	**388**	**35.5**	**131**	**68.8**	**2.06**	**1.41**	**0.45**	**0.55**	**0.003**

- Recent metallurgical test work has confirmed the ore is suitable for the production of direct reduction (“DR”) grade iron ore pellets
- Metso Minerals (Australia) Limited (“Metso”) has been undertaking extensive metallurgical test work on a 30 tonne bulk sample from the Southdown deposit, to assist in identifying the preferred processing circuit.
- Diamond drilling undertaken on Exploration Licence E70/2512 has shown the quality of the magnetite is comparable to the western portion of the deposit

Mine Operations

- It is intended Southdown will be mined using proven open pit mining methods with the mineralisation being crushed, ground, screened and then magnetically separated to produce a magnetite concentrate at a planned production rate of up to 7 million tonnes per annum

- The magnetite concentrate will be pumped via an 83 kilometre slurry pipeline to a filtration plant and storage facility at the Port of Albany, before being loaded onto capesize vessels and shipped to an iron ore pellet plant to be built at Kemaman, Malaysia

Pellet Plant

- Grange is currently intending to build a pellet plant at Kemaman in Malaysia
- Kemaman Port is an existing deep water wharf located on the east coast of peninsular Malaysia. The pellet plant site is located on land close to the existing deep water port
- Grange has a Heads of Agreement to secure the future use of the Kemaman Port and 60 hectares of land 3 kilometres from the port, on which the pellet plant will be built
- The pellet plant is to have a design capacity of 6.8 million tonnes per annum
- Kemaman Port is an ideal location from which to service local direct reduction iron (DRI) or hot briquetted iron (HBI) plants such as:
  - Ansteel has a 0.65Mtpa HBI plant located on Labuan Island, Malaysia
  - Megasteel are building a new 1.54Mtpa capacity DRI plant at Banting, south of Kuala Lumpur
  - Perwaja Steel have a 1.5Mtpa DRI plant located at Kemaman Port
  - PT Krakatau Steel have 2 DRI modules with a combined capacity of 3.03Mtpa in nearby Indonesia
- Kemaman Port is also a central location from which to service other Asian and Persian Gulf state DR grade pellet customers
- Infrastructure requirements for the Kemaman Pellet Plant are substantially in place and environmental approval granted
- Grange has secured certain Malaysian investment incentives including a 15 year tax holiday

Bukit Ibam

- Located at the former Bukit Ibam iron ore mine in Pahang State, Malyasia
- Grange holds 51% of the project in joint venture with a privately owned Malaysian mining company, Esperance Mining Sdn Bhd
- The mine opened in 1962 and produced approximately 22 million tonnes of hematite and magnetite ore before closing in 1970
- In June 2008, Grange announced the joint venture had approved development of an operation initially producing 100,000 tonnes per annum of magnetite concentrate. The concentrate will have a grade of approximately 60% Fe and be sold on the spot market and shipped out of Kuantan Port
- Bukit Ibam contains a Mineral Resource of 831,000 tonnes at 36.7% Fe, which provides for a mine life of approximately 3 years. Potential expansion and mine life extension opportunities are available from existing low grade stockpiles and tailings dam nearby
- Capital expenditure for Grange is expected to be A$1 million and operating costs per tonne of concentrate produced of approximately A$50 per tonne
- All statutory approvals are in place and work has commenced on procurement and construction. The pit has been prepared for mining which is scheduled to recommence in September and the concentrator is forecast to be commissioned by the end of 2008