



JACK HILLS
IRON ORE MINE
WESTERN
AUSTRALIA'S
MID-WEST
REGION



MEDIA RELEASE

Tuesday 6 January 2009

CROSSLANDS RESOURCES INTERIM UPDATE

In light of the recent volatile market, Crosslands Resources Limited is pleased to provide the following interim update on the iron ore market and Stage 2 development of the Jack Hills Iron Ore Project.

As has been widely reported, the international iron ore market deteriorated sharply in October as steel companies implemented significant production cutbacks in response to the global economic crisis. Conditions in China, where iron ore stocks at major ports had increased significantly, placed considerable pressure on all suppliers. Shipment deferrals and cancellations were forced on most Australian producers and spot prices for iron ore fell rapidly.

Despite these pressures, Crosslands maintained regular shipments throughout the December quarter. This continuity reflected the excellent relationships established with customers over the initial years of operation at Jack Hills and the high quality of Jack Hills' ore. Customers also responded well to Crosslands' prompt recognition of the new price environment.

With Chinese stockpiles currently reducing and spot prices showing some improvement, Crosslands continues to book forward sales, although market volatility remains a risk.

Crosslands Chief Executive, Stuart Hall, said that Crosslands' shipping program was being maintained.

"We have been very pleased to maintain continuity of shipments with the good work of our sales staff and the strong support of our customers," said Mr Hall.

"Whilst market conditions are tough, we remain focused on the long term development of the business including the expansion of our Jack Hills project.

"We are pushing ahead at full speed with both technical and market development work in connection with the expansion.

"In support of this work, we are pleased to advise that GRD Minproc Limited has been appointed Consultant Study Engineer, and will be supported by ProMet Engineers Pty Ltd which has been advising Crosslands on preliminary processing options for the beneficiation of the ore resource.

"We are very pleased to have secured the services of such capable and high profile engineering groups as GRD Minproc and ProMet and look forward to bringing together the investment case for Jack Hills expansion as soon as practicable."

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