



Territory Resources Limited

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5 June 2008

Manager Announcements
Company Announcements Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

TERRITORY PRODUCTION RAMPS UP WITH THIRD MINING FLEET

Attached is a Media Release in regard to the above.

Yours sincerely

Patrick McCole
Company Secretary



An Australian Resources Group

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ASX / MEDIA RELEASE

5 June 2008

TERRITORY PRODUCTION RAMPS UP WITH THIRD MINING FLEET

Iron ore exporter Territory Resources (ASX: TTY) is pleased to announce the Frances Creek operation in the Northern Territory is on schedule for achievement of a production rate of 2.4mtpa by the end of 2008.

Territory has recently deployed a third mining fleet to Frances Creek and associated ancillary works including the expansion of the camp from 110 to 170 persons are nearing completion.

Territory Chairman Michael Kiernan said the production ramp up had been smooth.

“Being a producing iron ore miner at 2.4mtpa by the end of 2008 is a significant achievement for shareholders. Frances Creek is really hitting its straps and we will certainly capitalize on the robust iron ore price,” Mr Kiernan said.

Design works for the haul road enhancements including sealing have been completed and tendering of the project is well advanced. The road sealing will be completed before the next wet season, enabling haulage of product to the rail siding under all but extreme weather conditions.

The company is pleased to update shareholders on the progress of the \$25 million over the next two years exploration program.

“Expenditure on exploration for the 2008 year has been budgeted at \$10.8m with 80% of the expenditure planned for resource expansion in the immediate Frances Creek mine-site area. The strike extension of the Frances Creek mineralised system continues 20km to the north of the mining area with limited previous exploration coverage. A second RC drill rig is due to commence full-time on site later in June,” Mr Kiernan said.

During May, exploration continued with near-resource drilling testing along-strike and down-dip extensions of known mineralisation adjacent to the Helene, Thelma and Jasmine trends (as outlined on the map overpage). Preliminary reinterpretation of the Helene trend especially in the region of the high grade Helene 6/7 deposit has commenced.

Detailed structural mapping of the Frances Creek and Mary River tenements has been initiated and will be undertaken during the current dry season. The mapping will be used in conjunction with existing geophysical surveys to identify additional exploration targets for investigation during 2008/2009.

Additional geophysical surveys including terrain-corrected ground gravity are proposed to be used to assess geological structures that are identified as being prospective for iron ore mineralisation.

Structural mapping over Mt Bundy and Rum Jungle will also be completed this field season with follow-target evaluation being conducted during late 2008.



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About Territory Resources

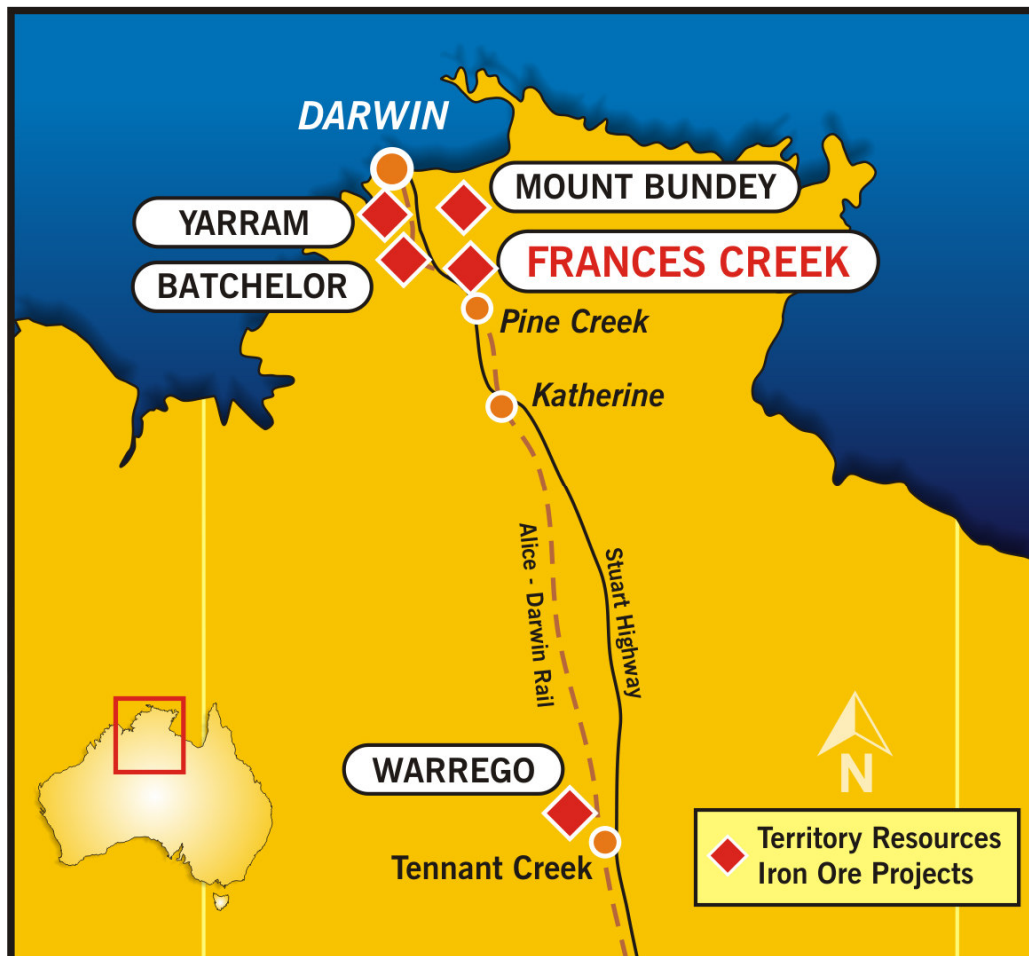
The Company is producing and shipping iron ore from its 100% owned Frances Creek haematite project, located near Pine Creek in the Northern Territory.

The current mine plan is scheduled to produce at an annualized mining rate of 2mtpa by the end of 2008 and targeting 3mtpa by June 2009.

The project has significant infrastructure benefits, being located within 15km from the Alice Springs to Darwin rail line and 190km south of the refurbished Darwin Port – Australia's closest to China. Marketing of Territory's ore is being undertaken by the Hong Kong based Noble Group Limited via a life-of-mine marketing agreement.

Territory Resources is building an Australian Resources Group with strategic investments in commodities such as mineral sands and gold, specifically through a 29% stake in Matilda Minerals, a 65% stake in Olympia Resources, and a 19% investment in Monarch Gold Mining Company.

Visit: www.territoryresources.com.au



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