



Territory Resources Limited

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19 May 2008

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

Dear Sir/Madam

Territory delivers 500,000 tonnes

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

19 May 2008

Territory delivers 500,000 tonnes

Iron ore exporter Territory Resources (ASX: TTY) has reached another significant milestone in the growth of its iron ore business, with the export of its 500,000th tonne of high grade iron ore occurring yesterday at the Port of Darwin.

Territory made its first shipment from its Frances Creek project in the Northern Territory in September 2007. The iron ore shipment was the first from the port of Darwin for more than 30 years.

Managing Director Allan Quadrio said the Company loaded its eighth vessel from Darwin with approximately 71,000 tonnes of iron ore.

"The shipment set sail on 18th May taking the total exports from Frances Creek to more than half a million tonnes of high grade direct shipping iron ore," Mr Quadrio said.

"Favourable tides allowed Territory to ship its biggest tonnage to date in one ship (71,000 tonnes) over the weekend. This is a tremendous achievement for all parties involved in the rebirth of the Francis Creek iron ore mine south of Darwin.

"Territory is capitalising on the strong iron ore demand here and now and generating value for shareholders," Mr Quadrio said.

"With our mining and shipping continuing to gather steam we now expect to reach the one million tonnes shipping milestone during the September quarter.

"Through our marketing program with partners Noble Group, we are directly taking advantage of the steel demand from China and the incredibly strong spot prices for iron ore.

"This is part of our strategy to discover, dig and deliver as much as possible over the coming three years, capitalise on the strength in the iron ore market and develop future earning streams," he said.

Mr Quadrio said the Company was making ongoing improvements at site to drive production increases at Frances Creek, including construction of a new wet processing plant to improve wet season operations and increase product consistency.

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.

Increase in production will be complemented by increases in port and rail capacity, including working with the Darwin Port Corporation (DPC) and the Northern Territory Government to triple current stockpile facilities.

Territory Resources has also committed \$25 million over the next two years for an aggressive exploration program at Frances Creek to expanded the resource base and extend mine life.

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About Territory Resources

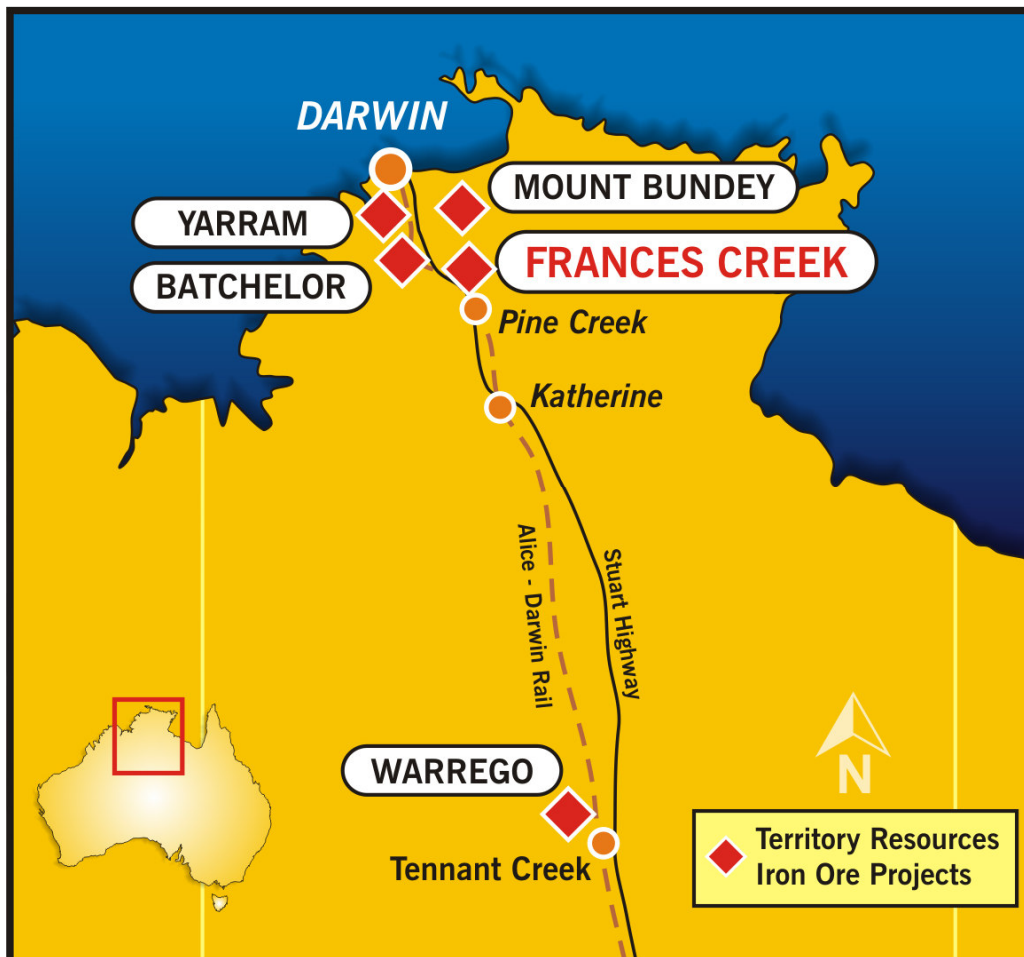
The Company is producing and shipping iron ore from its 100% owned Frances Creek haematite project, located near Pine Creek in the Northern Territory.

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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