



ASX/ MEDIA RELEASE

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TERRITORY'S UPGRADE TO BOOST CAPACITY

Iron ore exporter Territory Resources (ASX: TTY) will undertake a significant upgrade to its Frances Creek crushing and processing facility next month to boost capacity and throughput of the Northern Territory operation.

The upgrade at Frances Creek will increase the overall screening area, improving plant efficiencies and the quality of the lump ore, as well as increase wet weather production capacity.

Territory Resources Managing Director Allan Quadrio said the improvements were due to commence in May.

"Incorporating a wet screening into the crushing plant will be completed prior to the next wet season, enabling Territory to deliver more consistent production throughout the year," Mr Quadrio said. The new plant will enable our annualized target of 3 million tonnes per year to be achieved by June 2009.

"During last wet season, Frances Creek maintained its production targets, but we were able to identify areas for improvement through the incorporation of a wet back end to the processing plant.

"Wet screening will produce a better grade lump and fines product. It will also reduce the tendency of the fines product to hang-up in chutes and hoppers, as well as lowering the contained moisture content of the product."

The current mine plan is scheduled to produce at an annualized mining rate of 2mtpa by mid 2008, which is expected to increase to 2.5mtpa by the end of 2008 and 3mtpa by June 2009.

Design of the wet plant is in progress, and it will be funded from cashflow. A budget estimate is expected in April and be in the range of \$7 to \$8 million.

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About Territory Resources

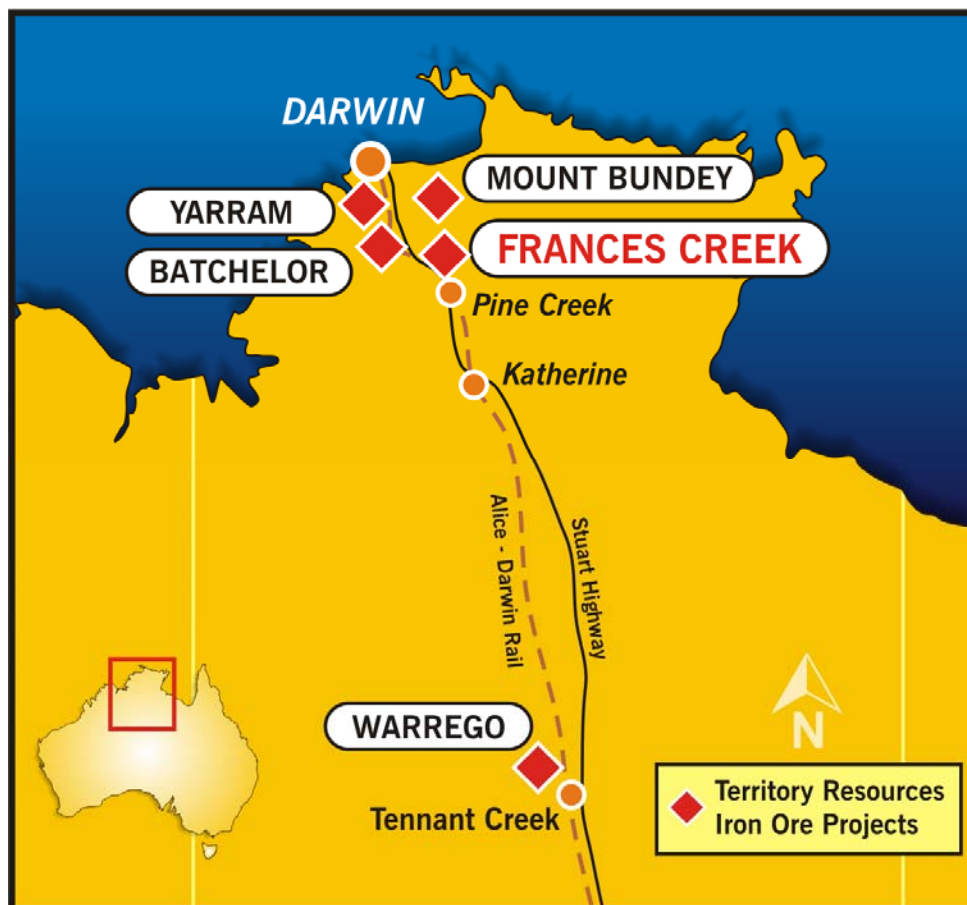
The Company is producing and shipping iron ore from its 100% owned Frances Creek haematite project, located near Pine Creek in the Northern Territory.

The current mine plan is scheduled to produce at an annualized mining rate of 2mtpa by mid 2008, which is expected to increase to 2.5mtpa by the end of 2008 and 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, gold and copper, specifically through a 30% stake in Matilda Minerals, a 60% stake in Olympia Resources, and a 12% investment in Monarch Gold Mining Company and 16% stakes in India Resources Limited.

Visit: www.territoryresources.com.au



An Australian Resources Group

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