



Territory Resources Limited

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13 August 2009

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

Dear Sir/Madam

Market Update

Attached is a Media Release in regard to the above.

Yours sincerely,

Patrick McCole
Company Secretary



An Australian Resources Group

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Media/ASX Release

13 August 2009

Market Update

KEY POINTS

- **Tripartite Standstill Agreement with financiers extended for a further six weeks to 25 September 2009.**
- **Extension required to enable the commercial positions between the parties to be finalised.**
- **All parties remain positive and committed to finding a satisfactory long-term solution.**
- **Territory securities to remain in suspension pending completion of ongoing confidential negotiations.**
- **All sales are currently being made at spot market prices.**

Territory Resources Limited (ASX: TTY – “Territory” or “the Company”) advises that it has reached agreement with its financiers, the hedge book facility provider (“Bank”) and Noble Resources Limited (“Noble”), for a further 6-week extension of the previously announced **Tripartite Standstill Agreement** (refer ASX announcements dated 1 April 2009 and 2 July 2009).

The Company, Noble and the Bank all remain committed to finding a satisfactory, long-term solution with the delays in resolving the situation due to normal and ongoing commercial discussions between the parties.

Territory’s Board has reluctantly concluded that its securities must remain in suspension due to the confidential nature of the ongoing discussions and until final agreement is reached. “All parties are continuing to work very hard towards achieving this,” said Territory’s Chairman, Mr Andrew Simpson.

“While it is extremely frustrating that our shares must remain in voluntary suspension until an outcome can be announced, this further six week extension of the standstill arrangements reflects the strong commitment of all parties to settle on the necessary debt restructure and the significant positive market developments seen in recent months,” he continued.

As reported recently, Territory achieved a significant increase in shippable tonnes from the Frances Creek Mine during the June 2009 Quarter, with 548,601 tonnes shipped in seven shipments. Cash operating costs fell to A\$46/tonne loaded on the boat in Darwin during June – an outstanding result which positions the Frances Creek operation very competitively on the cash cost curve given its relatively small scale of production. The Company continues to maintain a fully sold position and, until the Memoranda of Understanding in place are converted to long term agreements, all product is being sold into the spot market.

- ENDS -

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On behalf of:
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