



Territory Resources Limited

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28 September 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

28 September 2009

Market Update – Proposed Debt Reconstruction

Territory Resources Limited (ASX: TTY – “Territory” or “the Company”) advises that it has received notification from its financiers, the hedge book facility provider (“Bank”) and Noble Resources Limited (“Noble”), that an agreement has been reached between the Bank and Noble for the transfer from the Bank to Noble of the debt currently owed by Territory to the Bank.

The agreement is subject to the documentation and settlement of the transfer being completed by 5pm (Perth time) on 29 September 2009.

Further details in regard to the debt transfer and the restructuring of the Company's debt arrangements will be provided upon the execution of the formal contractual documents by the parties. The Bank and Noble have notified Territory that they have reserved their rights to demand immediate repayment of the debts from Territory, if the transfer does not settle by 5pm (Perth time) on 29 September 2009.

The restructuring of the debt facilities with the Bank and Noble marks an important milestone for Territory which, subject to completion of final documentation will allow the Company to move forward, realise the benefits of recent operational improvements and pursue its growth strategy as an Australian iron ore producer.

Due to the confidential and ongoing nature of the transaction, the Company's securities must remain in suspension until the completion and formalisation of the debt restructuring arrangement and until the Company has released its 2009 full year financial accounts. This will ensure that the Market is fully informed regarding the Company's financial position prior to the re-commencement of trading.

“We are pleased that the parties have been able to reach an agreement on the debt restructure as this is a very important outcome for the Company and is crucial for Territory's future. The successful completion of these arrangements will enable us to realise the full benefits of the significant operational improvements we have achieved during the year, including the ramp-up of production to 2.2 Mtpa and the substantial reduction in cash operating costs to below A\$50/tonne,” commented Territory's Chairman, Mr Andrew Simpson.

“While it is extremely frustrating that our shares must remain in voluntary suspension until we have finalised the arrangements and released the 2009 financial results, we must ensure that we complete and finalise the process that the Company and Management have worked so hard all year to achieve.”

“I can fully understand that shareholders would like to see trading recommence as soon as possible, however I can only reiterate that we are doing everything in our power to settle the matter as quickly as possible, which will enable us to seek the reinstatement of our securities for trading on the ASX,” he continued.

The impact of the debt restructuring arrangements will now need to be reflected in the 2009 annual accounts that are due to be lodged on 30 September 2009, and audited by our external auditor. As a consequence of this, the lodgement and release of the 2009 full year accounts is now expected to occur subsequent to 30 September 2009.





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The Company is working closely with the auditors on this matter and lodgement of the audited accounts will occur at the soonest possible time.

Upon the completion of restructure and lodgement of the audited accounts, the Company will immediately seek to have the voluntary suspension of its securities lifted with a reinstatement to trading on the Australian Securities Exchange (ASX).

- ENDS -

Released by:
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On behalf of:
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Chairman
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