



Territory Resources Limited

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19 April 2011

Manager Announcements
Company Announcements Office
ASX Limited
Level 4
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Dear Sir/Madam

MARKET UPDATE

Attached is a Media Release in regard to Territory defers final decision on proposed Noble Debt Conversion.

Yours sincerely,

Patrick McCole
Company Secretary



An Australian Resources Group

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Media/ASX Release

19 April 2011

Market Update

Territory defers final decision on proposed Noble Debt Conversion

On 17 February 2011, Territory Resources Limited (ASX: **TTY** – “Territory” or the “Company”) announced that it had entered into a non-binding, in-principle agreement with its major shareholder, Noble Group (“Noble”), for a debt-to-equity conversion (“Debt Conversion”) in relation to the core debt of US\$20.9 million owing under its term debt facility with Noble (“Noble Debt”) at a price of A\$0.315 per share.

It was proposed that the Debt Conversion would be accompanied by a share placement to one of Territory’s other major shareholders, DCM Decometal GMBH, as well as a share purchase plan in which all shareholders could participate (collectively “Capital Package”).

The proposed Debt Conversion is subject to binding, definitive agreements being reached with Noble and Territory shareholder approval.

After further consideration, having regard to the current uncertainty in capital markets and the difficult operating conditions arising from one of the most severe wet seasons in northern Australia since records began, the Board has decided to defer its final decision as to whether it will proceed with the Capital Package. Territory will seek to extend the agreement with Noble to keep the non-binding term sheet on foot as it completes this reassessment and will keep the market updated on material developments.

Should the Debt Conversion not be implemented, the Company anticipates the Noble Debt can be repaid within the next 12 months.

- ENDS -

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On behalf of:
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Forward-Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on management’s expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Territory Resources Limited, that could cause actual results to differ materially from such statements. Territory Resources Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.