



Territory Resources Limited

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28 August 2007

Australian Securities Exchange Limited
Company Announcements
Level 10, 20 Bond Street
SYDNEY NSW 2000

Corrective Statement

This announcement is a corrective statement published at the request of the Takeovers Panel following a declaration of unacceptable circumstances. The Panel has required that Territory correct certain statements made in relation to the support of a substantial holder, and share entitlements of the Managing Director of Consolidated Minerals Limited (CSM), in this announcement. The Panel has also required Territory to make additional disclosure concerning other matters from the application in the bidder's statement to accompany the Proposed Territory Offer.

Support of Palmary

Between 31 July and 15 August 2007, Territory made a number of statements to the media that Privat/Palmary, a shareholder of CSM holding 13.5% (according to its most recent substantial shareholders notice dated 2 August 2007) is "supportive of its initiative". DCM advised Territory that Privat made this statement to DCM in early August and it was the basis for Territory's statements to the media. Palmary repeated these words to Territory's Chairman on 13 August. Territory made an announcement of the Territory Chairman's meeting with Palmary to ASX on 15 August. Territory has, at all times, understood "supportive of its initiative" to mean that Privat/Palmary supported Territory's initiative to announce a takeover bid for CSM. Territory made its statements in response to media speculation that Palmary was opposed to the Proposed Territory Offer.

Territory emphasises that Palmary and Privat have never, directly or indirectly, informed Territory whether Palmary would accept Territory's offer, Pallinghurst's offer or any other offer for its CSM shares

Share entitlements of the Managing Director of Consolidated Minerals

On 7 August 2007, the Chairman of Territory made a number of statements to an analyst presentation and to a media conference in relation to the entitlements of the Managing Director of CSM (Mr Baxter) and the basis for the CSM board recommending the Pallinghurst Offer.

Territory stated that Mr Baxter was entitled to 3 million shares on announcement of the Pallinghurst takeover bid. This was incorrect. However, Territory believed this to be correct at the time, based on advice from its legal and other advisors. In fact, Mr Baxter could not be awarded more than 1 million shares over the three year period, based on a performance formula, and the board of CSM would have to decide to award shares to Mr Baxter before he became entitled to these. Under the share plan the CSM board has a discretion to issue all or part of any awarded but unvested CSM shares prior to 30 June 2009 where it would be unfair not to issue the CSM shares. However, Territory does not know whether the CSM board has determined to make any award of shares to Mr Baxter under this share plan.

The Territory Chairman also made statements which implied improper motives to the recommendation of the CSM board that CSM shareholders accept the Pallinghurst Offer in the absence of a superior offer. Territory unreservedly withdraws the implications of those statements.

Peter Rutledge
Company Secretary