



Territory Resources Limited

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5 October 2007

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

Dear Sir / Madam

TERRITORY'S FIRST SHIPMENT EXCEEDS EXPECTATIONS

Attached is a media release relating to the specifications of Territory's first shipment of iron ore out of the Port of Darwin.

Yours faithfully

Peter Ruttledge
Company Secretary

An Australian Resources Group

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MEDIA RELEASE

5 OCTOBER 2007

TERRITORY'S FIRST SHIPMENT EXCEEDS EXPECTATIONS

Australian resources group Territory Resources (ASX:TTY) is pleased to advise shareholders the company successfully shipped 67,500 tonnes of high grade iron ore to China over the weekend.

The shipment included an extra 2,500 tonnes to the expected 65,000 tonnes due to the smooth ramp up in processing, stockpiling and transportation of ore for the first shipment from the Port of Darwin.

The panamax ship, Yerotsakos, set sail from Darwin on Saturday 30th September bound for hungry Asian markets.

The final specifications of the ore shipped were:

TTY'S Expected Grades	Actual Shipped
Fe 63.47	63.26
Si 5.11	4.98
Al 2.08	2.05
P 0.072	0.071
S <0.01	<0.01

Territory Chairman Mr Michael Kiernan said achieving extra tonnage on the first shipment of ore was a testament to team effort and the Northern Territory's proactive investment in resources infrastructure.

"Without a port and rail, Territory does not have a project. I would again like to reinforce our gratitude to the Chief Minister and the Northern Territory Government for the proactive approach to investing in infrastructure," Mr Kiernan said.

"The shipped grades were inline with our expectations and delivering a consistent product to our Chinese customers is the key to a sustainable project.

"Territory expects to ship up to another 200,000 tonnes of iron ore from Darwin Port to China before the end of 2007. The company is raiiling ore daily from its Frances Creek Mine to Darwin via the Adelaide to Darwin rail line.

"The next shipment of ore is on track to depart Darwin at the end of this month.

"One of the great advantages of Frances Creek is access to the quality infrastructure of the Adelaide to Darwin rail line and the world class ship loading facility at Darwin.

"Darwin is the gateway to Asia. It is the closest Australian mainland port to major markets such as China and offers major freight and logistics advantages," Mr Kiernan said.

Mr Kiernan said Territory Resources has invested \$10 million in unloading, storage and conveyor facilities, with capacity to store some 250,000 tonnes of iron ore at the Darwin Port.

"It is our view that the Darwin Port will become a growth port for Australia, being the closest mainland port to China," Mr Kiernan said.

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Mr Kiernan said Territory Resources was capitalising on the inherent advantages of its project, and the burgeoning world demand for iron ore.

“Global demand for steel and iron ore continues to grow, and the challenge for producers is to match the booming demand from growth engines such as China,” he said.

For further information, please contact:

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About Territory Resources

Territory Resources (ASX:TTY), an independent Australian resources group, has a clear strategy to develop into a diversified carbon steel materials producer.

The Company is developing the 100% owned 1.5 mtpa Frances Creek haematite iron ore project located north of the regional town of Pine Creek on the Stuart Highway, 190 km south of Darwin with the existing Alice Springs to Darwin rail line running within 15 kms of the project.

A significant re-rating of the company has occurred in the last quarter as production commenced at the Frances Creek operation in June 2007 and Territory's first shipment of ore was made in September 2007.

Marketing of Territory's ore will be undertaken by the Hong Kong based Noble Group Limited via a life-of-mine marketing agreement. Crawley Resources Limited (Noble Group Limited 70% and local mining identity Michael Kiernan 30%) owns 30% of Territory.

Visit: www.territoryresources.com.au

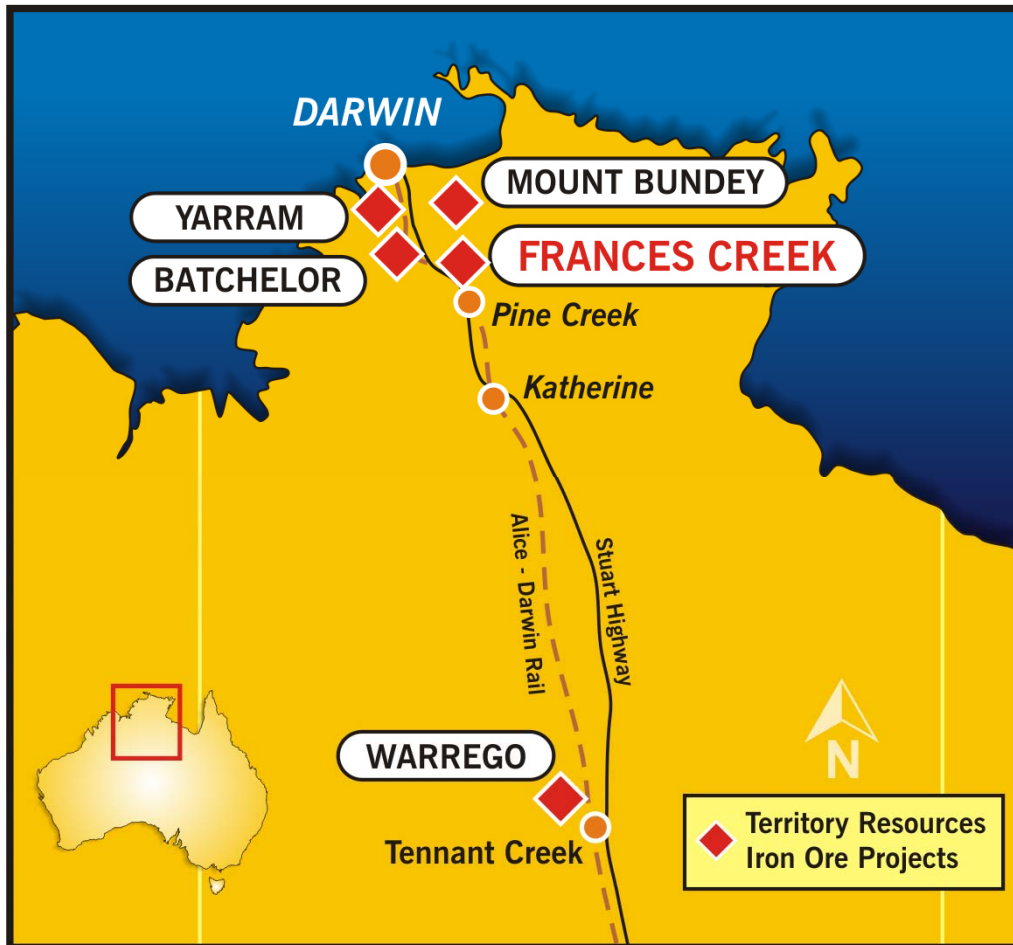
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