

04 April 2006

Australian Stock Exchange Limited

Company Announcements

Level 10, 20 Bond Street

SYDNEY NSW 2000

No of Pages: 2

Re: Announcement regarding Marketing Frances Creek Iron Ore

Please find enclosed an announcement reflecting a Memorandum of Understanding to purchase Territory Iron's Frances Creek iron ore.

A handwritten signature in blue ink, appearing to read "D. Stewart".

Doug Stewart
Managing Director

MOU signed for sale of Frances Creek Iron Ore

Territory Iron has completed its initial marketing visit to China. **During this visit, a Memorandum of Understanding for the purchase of most of Territory Iron's 2007 iron ore production has been signed with a Chinese Steel mill.**

The agreement is to take ore at the quality produced by Territory Iron from its Frances Creek operation in the Northern Territory. Ore will be shipped out of the Port of Darwin. Pricing for the ore will be settled closer to the delivery date. There is a strong market expectation that iron ore prices will further increase at the conclusion of the current round of contract iron ore negotiations for 2006-07.



Doug Stewart
Managing Director

Territory Iron is an emerging iron ore producer which listed on the ASX in March 2005. The company has drilled part of the previously mined Frances Creek iron ore mine in the Northern Territory. Since the drilling, feasibility studies have indicated that the project is economic based on advantages which include local infrastructure, bulk handling facilities presently being constructed at the port of Darwin, and a well priced iron ore market.