



Territory Resources Limited

23 Ventnor Avenue,
West Perth WA 6005
Telephone: +61 8 9483 5100
Facsimile : +61 8 9483 5111

16 October 2009

Manager Announcements
Company Announcements Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Market Update – Noble Debt Extension

Attached is a Media Release in regard to the above.

Yours sincerely,

Patrick McCole
Company Secretary



An Australian Resources Group

Post Office Box 158, West Perth, Western Australia 6872
admin@territoryresources.com.au www.territoryresources.com.au
A.B.N. 53 100 552 118



Media/ASX Release

16 October 2009

Market Update – Noble Debt Extension

Territory Resources Limited (ASX: TTY – “Territory” or “the Company”) is pleased to advise that it has reached an agreement with Noble Resources Limited (“Noble”) for a 12-month extension to the loan facilities provided by Noble to the Company.

Under the terms of the agreement, Noble has extended the repayment date for the loan facilities until 31 October 2010, during which time the Company is required to make monthly interest payments, and quarterly principal repayments throughout the period. In addition, should the cash balance at month end from Territory’s iron ore operations exceed A\$1.5 million after allowing for approved capital expenditure and approved exploration funding contained in the budgeted operational cash flows, the surplus will also be paid to Noble to reduce its debt. Further, any cash recovered by Territory under the Monarch Gold Mining Company Limited recapitalisation during the period must be applied to repayment of the Noble loans.

The remaining debt is then repayable upon the expiry of the extended period and Territory will seek further refinancing of this debt within this period.

The repayment plan and extension of the loan facilities was agreed to by both parties as a means to provide a structure with in-built flexibility to accelerate debt repayment should conditions be favourable.

The extension to the new repayment date of 31 October 2010 is subject to Territory continuing to comply with its obligations under the loan agreements and no future events of default occurring under the loan agreements.

The agreement with Noble Resources follows the agreement announced on 6 October 2009 for the consolidation of all of the Company’s debt with Noble Resources, its major shareholder.

As previously announced, the Company will now proceed with the finalisation and lodgement of its 2009 full year financial accounts and, once this has been completed, seek to lift the suspension of its securities and subsequently resume trading on the Australian Securities Exchange (ASX).

Territory’s Board believes that the revised arrangement with Noble is in the best interests of all shareholders, enabling the Company to focus on its core business of mining and exporting high-quality iron ore from its Frances Creek operation.

For details of the loan facilities please see Appendix 1A below. These loan facilities will be re-documented as a consolidated loan facility on terms consistent with commercial loan facility from an institutional financier. For further details of the Monarch Recapitalisation please see Appendix 1B below.

- ENDS -

Released by:
Nicholas Read
Read Corporate
Telephone: +61-8 9388 1474
Mobile: 0419 929 046

On behalf of:
Andrew Simpson
Chairman
Territory Resources Ltd
Telephone: +61-8 9483 5100



An Australian Resources Group

Post Office Box 158, West Perth, Western Australia 6872
admin@territoryresources.com.au www.territoryresources.com.au
A.B.N. 53 100 552 118



Appendix 1A – Noble Debt

The Company has the following debt arrangements with Noble:

- (a) a Loan Agreement between CBA and Territory dated 3 July 2009 (as amended on 12 August 2009) and a Loan Agreement (July 2009) between CBA and Territory dated 3 July 2009 (as amended on 12 August 2009) that were acquired by Noble pursuant to the terms of the Transfer of Securities as announced on 6 October 2009; and
- (b) a Loan Agreement between Noble and Territory dated 1 April 2009 (as amended on 2 July 2009 and as further amended on 12 August 2009),

(together the **Loan Agreements**) and;
- (c) a Prepayment Facility between Noble and Territory dated 1 April 2009 to provide the Company with the necessary funding for working capital in the short term by means of prepayments for iron ore shipments marketed by Noble.

The Loan Agreements and Prepayment Facility are secured by a fixed and floating charge over Territory's assets, a mortgage over its shares in key subsidiaries and a mining tenement mortgage over its Frances Creek mining leases.

The Loan Agreements and Prepayment Facility are also secured by a fixed and floating charge over the assets of Territory Iron Pty Ltd – a wholly owned subsidiary of Territory – and a guarantee and indemnity from Territory Iron Pty Ltd, which guarantees the performance of Territory's obligations to Noble.

Appendix 1 B – Monarch Recapitalisation

On 10 September 2009, the shareholders of Monarch Gold Mining Company Limited ("Monarch") approved a proposed recapitalisation of Monarch. This proposal, involving a Varied Deed of Company Arrangement and an associated recapitalisation and restructure of Monarch, had previously been approved at a meeting of creditors.. The recapitalisation is scheduled to complete on 19 November 2009. Under the arrangements the Company has received a non-recourse payment of \$2,961,000 as part of a non-refundable deposit and the Company will recover amounts equivalent to the balance of the full \$25.5 million owed by Monarch, subject to the various parties being able to complete the transaction over the course of the next two years. Under the proposal Territory will receive:

- Beneficial entitlement of the proceeds from the Minjar Project sale;
- The proceeds from the sale of the Davyhurst and Siberia Projects (if any); and
- A payment for the remainder of the \$25.5 million owed to Territory (to the extent not fully satisfied by the above payments) by 19 November 2011, being two years from completion of the proposed recapitalisation transaction.

