



# Territory Resources Limited

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15 December 2008

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

Dear Sir/Madam

## **Marketing, Sales and Finance Update**

Attached is a Media Release in regard to a Marketing, Sales and Finance Update.

Yours sincerely,

**Patrick McCole**  
Company Secretary



## **An Australian Resources Group**

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Media/ASX Release

15 December 2008

## Marketing, Sales and Finance Update

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Further to its market and operational update of 20 November 2008, Territory Resources Limited (ASX: TTY) ("Company" or "Territory Resources") provides the following update regarding recent developments in respect of its marketing, sales, financing and foreign exchange hedging contracts denominated in US dollars.

### Marketing and Sales

Territory Resources continues to maintain a fully sold position, with four shipments totalling 280,000 tonnes confirmed for December (two already completed) and a further three shipments programmed for January 2009. During the past month, the Company has also achieved a minor price improvement for the sale of both lump and fines.

As previously advised, during 2008 Territory Resources in conjunction with Noble Group in Hong Kong has completed a qualification process for both the lump and fines products with a number of key customers in China, and is now well positioned to commence supply under longer term commitments.

However, the planned trip to China in December 2008 by the Company's technical team to commence discussions on these long-term supply commitments has been postponed to late January or even mid-February 2009. The purpose of this postponement is to achieve greater clarity on the forward price structure for longer term commitments .

Negotiations between the major iron ore suppliers and the Chinese Steel Mills are now expected to commence in January 2009, and the outcome of these discussions should provide a clearer guideline on forward price levels.

### Finance and Hedging Contracts

Further to previous announcements on this matter, Territory Resources has informed its hedge contract facility provider that as a result of the decline in its revenues, its hedging contracts now exceed previously agreed levels of forecast US dollar cash receipts.

The Company has been provided with a "standstill" notice in which it has been formally notified of the occurrence of a termination event, but the "standstill" notice states that the facility provider will refrain from exercising its termination rights for an agreed period, subject to further discussions to the provider's satisfaction.

Territory Resources is continuing these discussions with a view to implementing alternative arrangements to the existing hedge facility. Disclosure of the Company's hedge position is contained in the 2008 Annual Report.

Territory Resources, the hedge facility provider and Noble Group (who continue to provide support to the Company) are continuing discussions with a view to implementing finance facilities satisfactory to all parties.

- ENDS -

Released by:  
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On behalf of:  
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