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Ref: Media release 14 June 06

14-June-06

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

Re: **Media release – Territory Iron**

Attached is a media release relating to Territory Iron.

Yours sincerely

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

Doug Stewart
Managing Director
Territory Iron Limited

**MEDIA RELEASE****14 June 2006****Territory Iron (TFE)****BIGGER AND BETTER - FRANCES CREEK CROWN JEWELS
CONTINUE TO IMPRESS DURING 2006 DRILLING PROGRAM**

Significant drill intercepts of haematite continue to flow from Territory Iron's 2006 exploration program at the historic Frances Creek mine.

At Helene 6/7, drilling has intersected significant extensions to the 680,000 tonne orebody.

Best results to date include:

- 28 metres at 67.0% Fe from 14m depth
- 37m at 65.9% Fe from 42m depth
- 26m at 66.0% Fe from 30m depth.

Territory Iron's exploration chief Bob Vivian, a geologist with over 28 years experience in exploration, said the results showed the company was justified in its optimism that resources at Frances Creek would expand well beyond the 6.8 million tonnes.

"Helene 6/7 is our jewel in the crown, but drilling results are showing further success from other deposits across the 40 kilometre strike line," Mr Vivian said.

"For example, results indicate heavy, high quality haematite up to 18m thick between the old, abandoned Helene 2 to Helene 3 pits. There is good potential for significant tonnage between these two pits."

He said early results from drill testing of magnetic targets near the Frances Creek mine site also continue to show promise. At Helene 11, high grade iron was intersected from the surface to 12m depth over an 80m strike length.

A total of 6,260m in 103 RC holes have been completed to date, with drilling concentrating on targets in and around the old Frances Creek mine site. Assay results for over 600 samples from the drilling program are still pending.

"In addition, processing of the high resolution magnetic survey data from the northern tenements flown in May this year will shortly be completed," Mr Vivian said. "We anticipate this will show up a number of magnetic targets for follow-up evaluation."

"With the end of the Wet in the Top End and drill rig access improving, exploration focus will now turn to regional drill targets."



Managing director Doug Stewart said the results gave impetus to the ongoing work at Territory Iron focused on getting Frances Creek into production. Recent progress includes appointing engineers Emerson Stewart to manage the design and construction of the conveyor system at the Port of Darwin.

Mr Stewart also announced the appointment of Bruce McFadzean to handle mine engineering and contracts management.

“With some 28 years experience in mining and with a strong production focus, Bruce has already made a huge contribution to advancing the project,” Mr Stewart said. “Bruce is talking to a variety of contractors covering mining, crushing and camp facilities and is busy optimising the mine plan and schedules.”

About Frances Creek

Territory Iron recently raised an additional \$12.6 million toward the capital cost of mining at Frances Creek, 190 kilometres south of Darwin. First production is scheduled for Q1 2007, with an annual production target of 1.5 million tonnes.

It will be the first time since mine and port infrastructure were destroyed by Cyclone Tracy in 1974 that iron ore is mined in the Northern Territory.

Current resource tonnage at Frances Creek has previously been reported at 6.8Mt at 60.6% Fe, with reserves estimated at 3.5Mt at 61.1% Fe.

The ore will be a mix of lump and fines produced through a simple crush and screening process. The ore will be trucked 19km to the Adelaide to Darwin rail line and stockpiled at the Port of Darwin before export.

Please see www.territoryiron.com.au for details.

For further information please contact:

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