



ASX/ MEDIA RELEASE

8 April 2008

TERRITORY COMMITS TO \$25M EXPLORATION PROGRAMME

Highlights

- **100,000 meters of RC drilling in 2008**
- **Three drilling rigs to target expansion of near mine resources**
- **Appointment of Exploration Manager to drive new program**
- **Comprehensive review of historical data underway, and incorporation of new survey material**

Territory Resources (ASX: TTY) announced today it has committed to spend \$25 million over the next two years with the aim of substantially expanding its high grade resource base and extend mine life at the Frances Creek iron ore project.

Territory Resources Chairman Michael Kiernan said the Company was focused on delivering a steady increase in production at Frances Creek, backed by substantial exploration of largely under-explored areas.

"The immediate focus of exploration is the expansion of near-mine reserves and resources including the areas adjacent to the known deposits," Mr Kiernan said.

"A budget of \$12 million including in excess of 100,000m of RC drilling, has been approved for the 2008 calendar year, with three drilling rigs engaged to undertake the works.

"The sustainability of exploration drilling during the wet season will be boosted by the introduction of a track mounted RC drilling rig later in the year."

Frances Creek currently has 5mt of reserves @ 61.3% Fe, with indicated and inferred resources of 10.1mt @ 60.47% Fe.

Mr Kiernan said Frances Creek has significant areas that have been largely unexplored by modern techniques, including 12 – 14 km of strike which would be targeted through the current program.

The northern tenements at Frances Creek contain significant potential for further discovery. The tenements lie on the northern extension of the Frances Creek structure, and sporadic outcrops exist along the structure with minimal work has been completed on the tenements to date.

"The style of mineralisation in the region tends to be under modest cover, and therefore has remained generally unexplored and undiscovered," Mr Kiernan said.

"Having taken Frances Creek into production, our aim has been to use cashflow to realise the significant production expansion opportunities," Mr Kiernan said.

"Our strategy is to discover, dig and deliver as much as possible over the coming three years, capitalise on the strength in the iron ore market and develop future earning streams," he said.

To drive its comprehensive exploration program, Territory has recently appointed Ian Hassall as Exploration Manager. Ian has considerable iron ore experience in the Pilbara, both as a mine geologist and in exploration. His experience includes various iron ore deposition styles including Brockman, Marra Mamba, Nimingarra and pisolite iron deposits.

An Australian Resources Group



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Territory has also undertaken a complete review of the available geological information from current and historical records for Frances Creek, including collation of all geophysical, mine geology and drilling information.

A helicopter-borne, electromagnetic survey and a multi-spectral survey were conducted late in 2007, and results from these are being incorporated in the proposed exploration programme.

A structural study of the mine-site and adjacent areas is also planned to generate further understanding of the geological controls, especially in relation to the fold closures and hinge areas of the structure.

"Incorporation of historical data, combined with our recent electromagnetic survey results and will underpin Territory's drilling program over the next twelve months," Mr Kiernan said.

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About Territory Resources

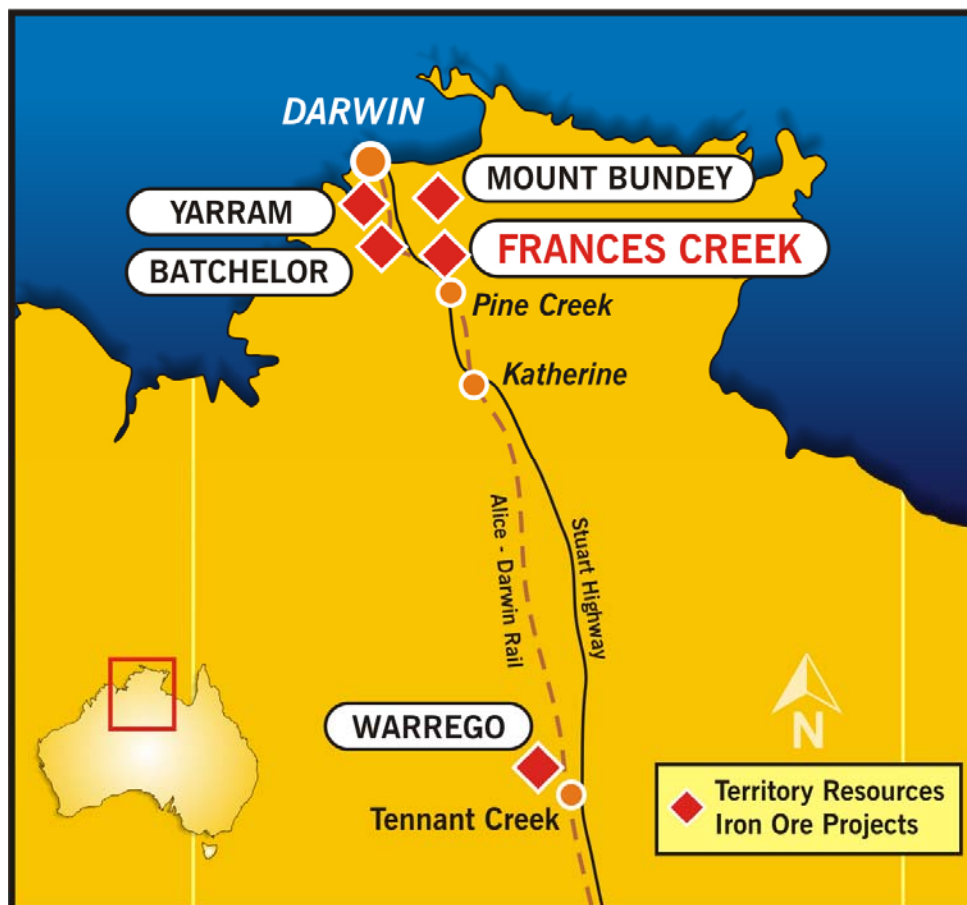
The Company is producing and shipping iron ore from its 100% owned Frances Creek haematite project, located near Pine Creek in the Northern Territory.

The current mine plan is scheduled to produce at an annualized mining rate of 2mtpa by mid 2008, which is expected to increase to 2.5mtpa by the end of 2008 and 3mtpa by June 2009.

The project has significant infrastructure benefits, being located within 15km from the Alice Springs to Darwin rail line and 190km south of the refurbished Darwin Port – Australia's closest to China. Marketing of Territory's ore is being undertaken by the Hong Kong based Noble Group Limited via a life-of-mine marketing agreement.

Territory Resources is building an Australian Resources Group with strategic investments in commodities such as mineral sands and gold, specifically through a 29% stake in Matilda Minerals, a 40% stake in Olympia Resources, and a 10% investment in Monarch Gold Mining Company.

Visit: www.territoryresources.com.au



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