



Territory Resources Limited

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31 October 2007

Company Announcements
ASX Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir / Madam

TERRITORY HITS MORE HIGH GRADE ORE

Attached is a media release relating to additional drilling results from the Company's Frances Creek iron ore project.

Yours faithfully

Peter Ruttledge
Company Secretary

An Australian Resources Group

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MEDIA RELEASE

31 OCTOBER 2007

TERRITORY HITS MORE HIGH GRADE ORE

Australian resources group Territory Resources (ASX:TTY) announces further exploration success at its Frances Creek iron ore project in the Northern Territory, as it targets an anticipated resources upgrade by the end of the year.

Territory has achieved outstanding drilling and assay results at the Jasmine Central and Helen 11 project areas at Frances Creek, where it has undertaken about 3,000 metres of drilling at priority iron ore targets.

Best results at Helene 11 include **40m at 62% Fe from 39m depth**, while drilling at Jasmine Central identified high grade iron ore **up to 67.3% Fe** including an intercept in **excess of 40m at 63.6%Fe**.

Territory's Operations Director, Bruce McFadzean, said the results confirmed mineralisation potential and more detailed testing was now underway.

"These results confirm the continuing high grade iron ore potential of our Northern Territory tenements, and we are now working toward a redefinition of our resource base during the next quarter," Mr McFadzean said.

"As part of our drive for exploration excellence we are continuing to aggressively explore our near mine targets to extend known ore bodies and our northern tenements for new ore discoveries," Mr McFadzean said.

Territory this month increased its Indicated Resource base, following testing of fines material from past mining activity. The Company's combined Inferred and Indicated Resource is now above 10 million tonnes, at an average of 60.47% Fe. In addition, Territory now has more than five million tonnes in Reserves.

Helene 11

Territory has achieved some outstanding results from drilling at its Helene 11 deposit, with a number of +25m intercepts achieved from the 1,610m drilled here. *(Best results are shown in Table 1 - overpage).*

Mineralisation has been drill defined over about a 100m strike extent and remains open to the north. Drilling is continuing with a resource estimate anticipated by the end of next quarter.

Jasmine Central

Further excellent assay results were also achieved at the Jasmine Central deposit, where 14 holes for 1359m were drilled beneath the Jasmine Central abandoned pit floor. Results confirm significant iron mineralisation over about a 200m strike extent, and to a vertical depth of about 50m below the pit floor. *(Best results are shown in Table 2 - overpage).*

Drilling has now been completed on a 30m-drill line spacing across the deposit. A further additional 900m of drilling is planned early next quarter, and a resource estimate will be available once this work and modelling are completed.

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Table 1 - Helene 11 - Best Results: >3m thickness at 55% Fe cut-off

Hole_Id	From	To	Interval	% Fe	% P	% Al ₂ O ₃	% SiO ₂	% LOI
FARC057	7	15	8	62.0	0.03	2.3	7.0	0.8
FARC057	48	57	9	58.6	0.19	3.6	6.3	2.0
FARC058	7	11	4	61.7	0.02	2.7	6.7	1.0
FARC059	0	6	6	61.4	0.07	2.7	5.1	1.7
FARC059	9	16	7	60.2	0.08	3.5	5.7	1.7
FARC059	20	37	17	62.6	0.16	2.0	4.2	0.8
FARC060	10	38	28	60.4	0.13	2.6	5.2	0.4
FARC062	28	30	2	58.7	0.03	5.2	8.1	1.3
FARC063	23	39	16	60.4	0.12	3.5	6.3	1.3
FARC063	46	62	16	60.5	0.23	3.0	4.8	1.4
FARC066	11	40	29	59.0	0.11	4.6	8.2	1.2
FARC069	35	42	7	56.4	0.05	6.2	9.3	1.8
FARC070	31	39	8	66.6	0.03	1.3	2.0	0.6
FARC071	27	32	5	59.8	0.03	4.0	8.2	1.2
FARC072	37	71	34	64.1	0.12	1.1	2.8	1.8
FARC073	35	42	7	60.9	0.11	2.3	4.7	1.6
FARC073	45	73	28	58.2	0.24	2.2	3.8	3.3
FARC074	39	78	39	62.3	0.15	2.0	3.9	1.4
FARC075	39	79	40	62.0	0.16	2.0	3.8	1.7

Table 2 - Jasmine Central - Best Results: >3m thickness at 55% Fe cut-off

Hole_Id	From	To	Interval	% Fe	% P	% Al ₂ O ₃	% SiO ₂	% LOI
JERC049	52	58	6	67.3	0.05	0.5	2.2	0.4
JERC051	29	73	44	63.6	0.13	1.8	4.7	1.1
JERC051	77	83	6	57.1	0.16	1.6	14.6	1.2
JERC052	51	78	27	63.4	0.15	2.3	4.2	1.3
JERC056	30	42	12	63.7	0.08	1.0	6.4	0.8
JERC065	46	60	14	64.8	0.08	1.2	5.0	0.8
JERC066	21	25	4	60.8	0.06	1.7	10.7	0.7
JERC066	42	58	16	60.2	0.14	0.8	12.3	1.0
JERC066	80	112	32	63.1	0.08	2.4	6.4	0.9
JERC070	55	75	20	63.8	0.19	2.4	4.0	1.3

The information in this Public Report that relates to Mineral Resources is based on and accurately reflect, information compiled by Mr. Bob Vivian who is a full time employee of Territory Resources Limited and a Member of The Australian Institute of Geoscientists.

Mr Vivian has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The Author consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.



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About Territory Resources

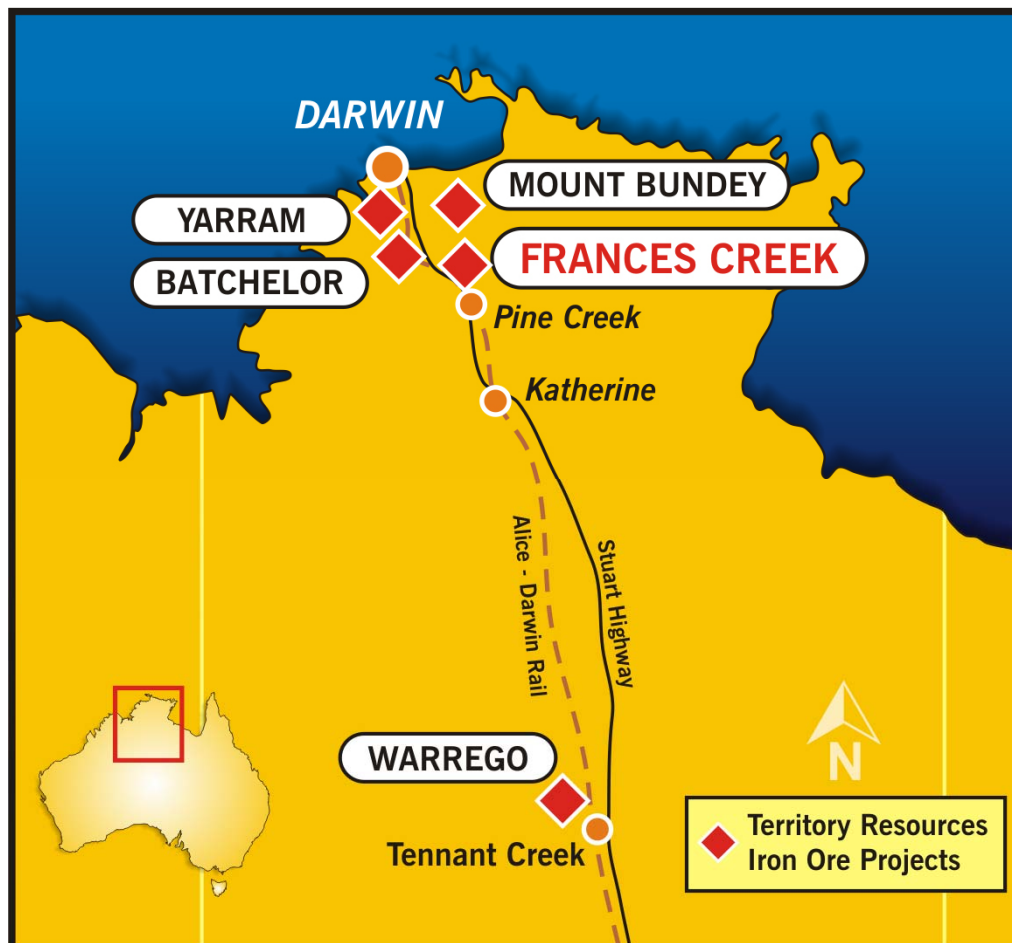
Territory Resources (ASX:TTY), an independent Australian resources group, has a clear strategy to develop into a diversified carbon steel materials producer.

The Company is developing the 100% owned 1.5 mtpa Frances Creek haematite iron ore project located north of the regional town of Pine Creek on the Stuart Highway, 190 km south of Darwin with the existing Alice Springs to Darwin rail line running within 15 kms of the project.

Territory's first shipment of high grade iron ore to China occurred in September 2007.

Marketing of Territory's ore is being undertaken by the Hong Kong based Noble Group Limited via a life-of-mine marketing agreement. Crawley Resources Limited (Noble Group Limited 70% and local mining identity Michael Kiernan 30%) owns 30% of Territory.

Visit: www.territoryresources.com.au



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