



Territory Resources Limited

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17 October 2007

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

Dear Sir / Madam

TERRITORY ANNOUNCES SHARE PURCHASE PLAN

Attached is a media release setting out details of a share purchase plan announcement.

Yours faithfully

Peter Ruttledge
Company Secretary

An Australian Resources Group

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MEDIA RELEASE

17 October 2007

TERRITORY'S SHAREHOLDER SHARE PURCHASE PLAN

Australian resources group Territory Resources (ASX:TTY) is offering its shareholders the opportunity to increase their holding and participate in the continued growth of the Company through a Share Purchase Plan (SPP).

Territory Resources Chairman Michael Kiernan said the SPP would raise up to \$21.5 million to drive further Company development, particularly in the areas of exploration, project development and the potential acquisition of new projects.

As at the record date of 17 October 2007, eligible shareholders will have the opportunity to purchase additional shares for A\$1 per share. Shareholders can elect to take allocations of \$1000, \$3000 or \$5000 worth of shares. The maximum shares that can be issued are estimated to be 21.5 million.

The issue price represents a 12.7% discount to the volume weighted average price of the Company's shares in the five trading days prior to the announcement.

The offer will open on 26 October 2007, and will close 5pm 19 November 2007.

Mr Kiernan said the SPP came at a time of significant progress for Territory and its shareholders.

"Territory Resources has made some great strides in recent months at its Frances Creek project, with the commencement of production at 1.5mtpa and our milestone first shipment of iron ore last month," he said.

"We are now focused on continuing this development both through ramping up production towards 3mtpa and through exploration excellence delivering an increase in resources.

"Through the SPP, shareholders will have the opportunity to participate in this exciting period of growth for Territory, as we strive toward our goal of becoming a \$2.5 billion carbon steel business," Mr Kiernan said.

Territory will also seek shareholders' approval to permit directors, subsequent to the close of the SPP, to place to the cornerstone investors (OM Holdings and Crawley Resources) sufficient shares to maintain their percentage holding (as at 8 June 2007) at a price not less than the SPP price of \$1.

The maximum shares that could be issued would be 13,062,570 to Crawley and 5,437,826 to OM Holdings.

Mr Kiernan added that he believed the opportunities to build a carbon steel business in front of Territory are extraordinary and looked forward to the company's future with much enthusiasm.

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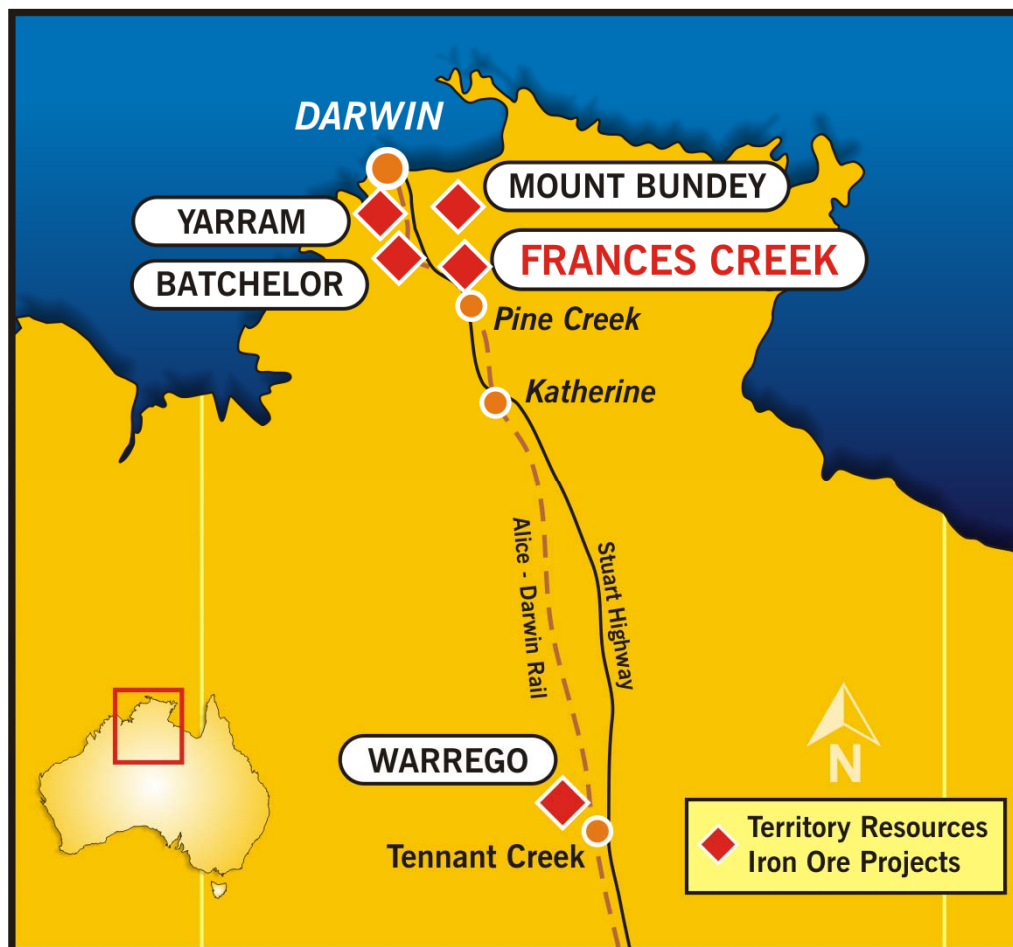
About Territory Resources

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.

A significant re-rating of the company has occurred in the last quarter as production commenced at the Frances Creek operation in June 2007 and Territory shipped its first ore to China in the September 2007 Quarter.

Marketing of Territory's ore will be 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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