



# Territory Resources Limited

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9 November 2009

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

Dear Sir/Madam

## **Territory Reaches Agreement to Divest India Resources Stake**

Attached is a Media Release in regard to the above.

Yours sincerely,

**Patrick McCole**  
Company Secretary



**An Australian Resources Group**

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Media/ASX Release

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## Territory Reaches Agreement to Divest India Resources Stake

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Territory Resources Limited (ASX: TTY – “Territory” or “the Company”) is pleased to advise that it has reached an agreement to sell its stake in India Resources Limited (ASX: IRL –“India”).

The sale of the 8.5% interest, which is one of the final remaining investments from its previous diversification strategy, is consistent with Territory’s strategy of focusing on its core iron ore operations in Australia.

The deal will involve the sale of Territory’s stake in India (19,019,000 shares) at \$0.024 per share, raising a total of A\$456,456, and the transfer of a A\$1.5 million inter-company loan previously provided to India by Territory, for a total cash settlement of **A\$1.956 million**.

The agreement is conditional on IRL shareholder approval as well as approval by Noble Group Ltd, Territory’s third party financier. As part of its debt management, Territory has agreed that all proceeds received under the transaction will be paid to Noble to reduce the Company’s debt to Noble.

Upon satisfaction of the conditions, payment for the transfer of the A\$1.5 million loan will occur in four tranches over the next two to five months with an initial payment of A\$750,000, to be received upon completion of the share transfer, followed by three further monthly payments of A\$250,000. The consideration for the transfer of shares will be received in two payments totalling A\$456,456 which will settle upon satisfaction of the above conditions. The 30-day VWAP (Volume Weighted Average Price) and liquidity of India shares was considered and used as a guide by the Company in assessing the sale price of \$0.024.

Territory Resources’ Managing Director, Andy Haslam, said: “This agreement represents the next logical step to reduce debt following the significant progress we have achieved in recent weeks with the consolidation and extension of our debt arrangements with Noble and the reinstatement of our shares to trading on the ASX.”

“The past year has not been without its challenges, but we believe that we are now in a solid position and that we will be able to consolidate this during the 2010 financial year,” he added.

Territory recently delivered a strong, unaudited NPAT (Net Profit After Tax) of almost A\$6.3 million for the September 2009 Quarter, driven by increased iron ore production and a reduction in operating costs at the Company’s Frances Creek iron ore mine.

- ENDS -

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**On behalf of:**  
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