



MEDIA RELEASE

30 August 2007

TERRITORY LODGES BIDDER'S STATEMENT AND ADOPTS A WAIT AND SEE APPROACH

Australian resources group Territory Resources (ASX:TTY) has today released its Bidder's Statement for its off-market takeover offer for the entire issued capital of Consolidated Minerals Limited (ASX:CSM).

Despite the volatility in global markets, Territory's fully funded offer remains at **\$2.00 cash per share and 1.5 ordinary Territory shares for each CSM share**. Territory reserves the right to vary its offer.

Based on today's closing share price for Territory, the fully-funded offer values CSM at \$913 million.¹

Territory Resources Chairman Michael Kiernan said Territory's wait and see approach reflects the volatility and uncertainty in the market place, the emergence of other potential bidders and the recent actions by Pallinghurst.

"We are dealing with a constantly changing landscape which is yet to settle, and we have a duty of responsibility to our shareholders in this environment," Mr Kiernan said.

"Our offer to CSM shareholders provides an attractive mix of certain value today and continued exposure to the group's strong growth profile into the future. This offer represents the next step in Territory's strategy to build a leading \$2.5 billion Australian carbon steel commodities business," he said.

Mr Kiernan said Territory has been appalled at the recent unsuccessful tactics employed by Pallinghurst to entice CSM shareholders to accept its offer.

"Territory also continues to be surprised at, and disappointed by, the haste with which the CSM Board rushed to recommend Pallinghurst's offers, despite the announcement of the Territory offer, potential other bidders and in a market where the CSM share price consistently trades above the recommended offer price," Mr Kiernan said.

"When we announced our offer it valued CSM at \$3.65 per share for CSM.² We note with interest that Pallinghurst has increased its latest offer to \$3.60 per share."

The offer values CSM shares at \$3.50 today, based on the \$1 per share price at which sophisticated investors Noble, DCM DECOMetal and Lehman Brothers have committed to invest in Territory under the terms of its offer.

Territory Resources last week announced the addition of a new \$75 million equity commitment from DCM DECOMetal International GmbH in lieu of its existing commitment.

Territory is now in production at Frances Creek, railing trains daily to the port of Darwin, and has successfully completed marketing and pricing arrangements for its first shipment of high grade iron ore expected in September.

For further information, please contact:

Michael Kiernan

Chairman

Tel: +61 (0) 8 9324 7000

Mob: 0418 904 165

Warrick Hazeldine

Purple Communications

Tel: +61 (0) 8 9485 1254

Mob: 0417 944 616

¹ 97 cents. Note that share price movements affect value.

² 17 July 2007. See Note 1.



About Territory Resources

Territory Resources (ASX:TTY), an independent Australian resources group, has a clear strategy to develop into a carbon steel commodities 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 has a production target of 3 mtpa within two years.

Visit: www.territoryresources.com.au

Pallinghurst Offer Background

1st OFFER - 23 February

CSM shareholders offered **\$1.38** in cash per share and 2 shares in the new company for every 5 Consolidated Minerals shares under a scheme of arrangement valuing the company at **\$625 million** or at **\$2.28 per share**.

CSM Board Response

Directors **unanimously recommended** this proposal and intend to vote their own shares in favour of the proposal in the absence of a superior proposal.

2nd OFFER - 25 June

CSM shareholders are offered **\$1.68** cash for each CSM share and 2 shares in a new ASX-listed company for every 5 CSM shares under a scheme of arrangement valuing the company at **\$745 million** or **\$2.82 per share**.

CSM Board Response

Directors **unanimously maintain their recommendation** CSM shareholders vote in favour of the proposal and intend to vote in favour of the Scheme for their own holdings in the absence of a superior proposal.

3rd OFFER - 20 July

Pallinghurst offer **\$3.30 cash** per CSM share under an off market takeover offer valuing the company at **\$872 million**

CSM Board Response

Directors **unanimously recommended** the Pallinghurst offer as being in the best interests of Consolidated Minerals shareholders and intend to accept the offer in respect of 60% of their own respective holdings in the absence of a superior offer.

4th OFFER – dated 29 August

Pallinghurst Resources announces an increase to \$3.60 per CSM share under its off market takeover offer valuing the company at **\$952 million**.

CSM Board Response - 30 August

Directors **unanimously recommended the increased \$3.60 Pallinghurst Cash Offer** as being in the best interests of Consolidated Minerals shareholders and reiterated their intention to accept the offer in respect of 60% of their own respective holdings in the absence of a superior offer.

Summary:	Value of CSM based on current market price ³	\$980m
	Pallinghurst 1 st Offer	\$625m
	Value differential due to Territory's competitive offer	\$355m

³ On a fully diluted basis at today's closing price of \$3.71 per CSM share