



# Territory Resources Limited

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1 April 2009

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

Dear Sir/Madam

## **Update on Finance and Hedging Contracts**

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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## Update on Finance and Hedging Contracts

### *Territory Enters into Short Term 'Standstill' Arrangement to Continue Debt Restructure*

Territory Resources Limited (ASX: TTY – “Territory” or “the Company”) advises that it has entered into a ‘standstill’ agreement (“Standstill Agreement”) with its financiers, the hedge book facility provider (“the Bank”) and Noble Resources Limited (“Noble”). The Standstill Agreement is aimed at providing the parties time to develop and implement a restructuring plan by which Territory is able to restructure or refinance the foreign exchange hedging and loan arrangements that are currently in place.

Under the terms of the Standstill Agreement, the Bank and Noble have agreed to refrain from exercising any enforcement action in respect of their debts until 30 June 2009 or a later date as agreed by the parties (subject to no event of default by Territory).

In addition to the Standstill Agreement, the Company has entered into the following loan agreements:

- An A\$11.03 million short-term loan facility with the Bank that has enabled Territory to crystallise its January 2009, February 2009 and March 2009 hedging contracts into loans. The loan is repayable on expiry of the standstill term, or such later date as is agreed between the parties;
- A Prepayment Facility with Noble, which will provide the Company with the necessary funding for working capital in the short term by means of prepayments for iron ore shipments marketed by Noble; and
- A USD\$29.06 million Loan Facility with Noble to formalise the funding that has already been provided to the Company. The loan is repayable on expiry of the standstill term, or such later date as is agreed between the parties.

As part of the Standstill arrangements and to facilitate the debt restructure, the Company has also entered into a Security Trust Deed under which it has provided a fixed and floating charge over the Company’s assets, a mortgage over its shares in key subsidiaries and a mining tenement mortgage over its Frances Creek mining leases to secure the funding provided by the Bank and Noble. In accordance with ASX Listing Rule 10.1, Noble is not entitled to receive a benefit under the Security Trust Deed until Shareholder approval or an ASX waiver is obtained. The Company intends to make an application for an ASX waiver.

Territory Iron Pty Ltd, a wholly-owned subsidiary of the Company, has also provided a fixed and floating charge over its assets and a guarantee and indemnity, which guarantees Territory’s obligations to the Bank and Noble.

Territory’s Chairman, Mr Andrew Simpson, said, “All parties are working cooperatively and positively to put a long-term finance structure in place for Territory that is suitable to all parties.”

“Territory is continuing to have constructive discussions with both Noble and the Bank to work towards a long-term solution that will allow Territory to better position our finances and support the Company’s long-term growth and development,” he said.

- ENDS -

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On behalf of:  
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