



Territory Resources Limited

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Australian Securities Exchange Limited
Company Announcements
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir / Madam

UPDATED INDEPENDENT EXPERTS' REPORTS

Attached is a media release announcing the release of updated independent experts' reports on the valuation of Territory.

Yours faithfully

Peter Ruttledge
Company Secretary



MEDIA RELEASE

3 AUGUST 2007

UPDATED INDEPENDENT EXPERTS' REPORTS

Australian resources group Territory Resources (ASX:TTY) has today released an updated independent valuation report from BDO Consultants supported by an updated technical report from Snowden Mining Industry Consultants.

The BDO report implies Territory's current offer for Consolidated Minerals (ASX:CSM) is worth between \$3.47 and \$3.62 per share. This is consistent with the Territory Board's view that its offer is a superior alternative for CSM shareholders.

In particular, BDO noted Territory had achieved a number of significant milestones which have materially improved Territory's value since its previous report issued in April 2007 including:

- Progression of Territory from developer to producer
- Crawley Resources' backing as a major shareholder
- A new focus on becoming a diversified carbon steel producer
- Increase in Iron Ore prices
- Off-take agreement with the Noble Group
- Investment of capital in the development of project infrastructure
- Acquisition of tenements - eliminating future royalty payments
- Heads of Agreement to evaluate the large Tambao manganese deposit

Territory Chairman Michael Kiernan said the independent experts' reports confirmed Territory's current market valuation.

"This highlights the value added in recent months as we have moved from explorer to producer," Mr Kiernan said.

"We look forward to maintaining this growth profile and expect to double Frances Creek's mine production to 3mtpa through an aggressive drilling program."

"Territory's fully funded offer is superior to that of Pallinghurst. It represents the next step in our strategy of building a \$2.5 billion diversified carbon steel business," he said.

The full reports completed by BDO and Snowden are available at http://www.territoryresources.com.au/files/BDO_Valuation_Report.pdf and http://www.territoryresources.com.au/files/Snowden_Valuation.pdf

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About Territory Resources

Territory Resources (ASX:TTY), an 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 is on track for its first shipment of ore 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

