

## **INTRODUCTION**

On 23 May 2011 Territory Resources (“Territory”) and Exxaro Resources (“Exxaro”) executed a Bid Implementation Agreement (BIA) under which Exxaro will acquire up to 100% of the fully paid ordinary shares in Territory by the way of an off-market takeover bid (the “Offer”).

Exxaro has offered A\$0.46 a share which represents a 64% premium to Territory’s last closing share price of A\$0.28 a share before the Offer was made. Exxaro intends to fund the offer from internal funding sources.

In the absence of a Superior Proposal the Offer has been recommended by the majority of the Territory Board. Furthermore, in the absence of a Superior Proposal, each recommending Territory Director has agreed to accept the Offer with respect to all shares they control.

On 22 May 2011 Exxaro entered into a pre-bid acceptance agreement with DCM DECOMetal in relation to its 11.2% holding in Territory, giving Exxaro an initial 11.2% relevant interest in Territory.

The offer is conditional upon the satisfaction of certain conditions, including a 60% minimum acceptance condition, no material adverse change in relation to Territory and no prescribed occurrences in relation to Territory. A summary of the key terms of the BIA, including the conditions of the offer, can be found in the Exxaro Bidder’s Statement on this website.

Exxaro’s offer will be open until 4 July unless extended.