

Bluebush Tennant Creek Drilling Update

Territory Uranium -Panoramic Resources (PAN) JV



ASX Code: TUC

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ASX Announcement

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Two diamond drill holes have been completed and a third hole drilled to 735m at the Bluebush project, 30km southwest of Tennant Creek. Drilling was conducted as an initial phase of the joint venture with Panoramic Resources to test a series of geophysically and geologically defined targets. These targets are postulated to be Iron Oxide Copper Gold (IOCG) style systems.

Drilling was undertaken on three out of five initial targets selected for testing in the 2009-2010 financial year. These include residual gravity targets at Bluebush Main and Bluebush Southeast and a magnetic target in the east of the project area (Figure 1).

Drilling at Bluebush southeast has confirmed the presence of potential copper-gold host rocks including sediments and basalts beneath the Palaeozoic cover where sparse historical drilling had previously intersected barren granite. Geochemically anomalous grades have been returned from prioritised samples including 1m @ 0.14g/t Au from 293m in TDD1. The anomaly is associated with a sheeted quartz vein set and within a zone of mineral alteration.

Diamond hole TDD3 has been drilled to 735m targeting the Bluebush Main residual gravity anomaly. Drilling intersected granitic rock with numerous sediment inclusions but at the current depth no definitive answer to the source of the gravity anomaly has been ascertained. Sections of the hole containing weak alteration and veining are being sampled to test for geochemical indications of mineralisation and extension of the hole is being contemplated in light of new down hole geophysical information obtained during the programme.

Drilling at the magnetic anomaly in the east of the project intersected highly magnetic dykes but no significant assays are expected.

Assays remain pending for all three holes.

Work continues towards further drill testing of this important project in both TUC's and PAN's portfolio during 2010 (planned to commence in March/April).

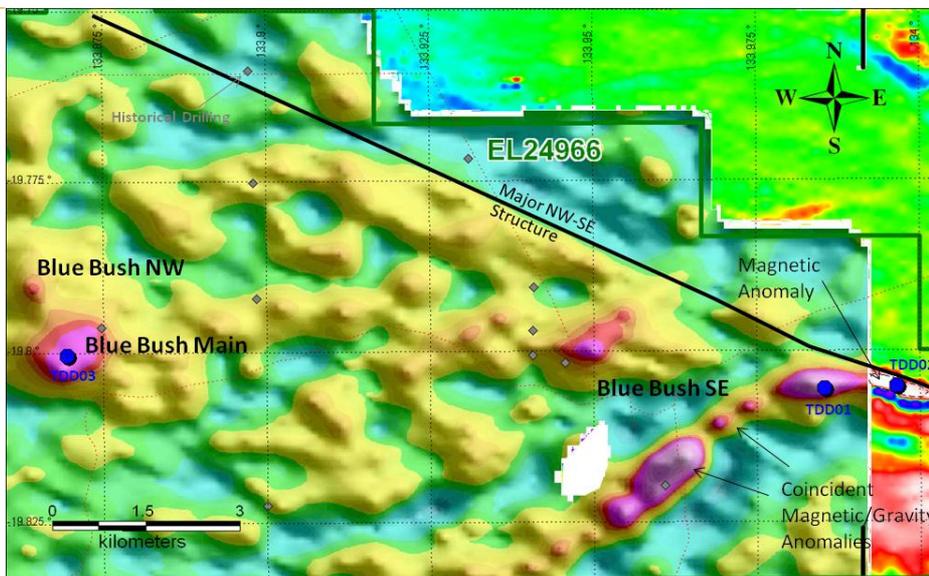


Figure 1 - Drill hole location map over residual gravity image (left of image) and TMI 1VD magnetic image (right of image).

Territory Uranium (TUC) holds approximately 20,000km² of prospective land package across 48 (27 under application) tenements making it one of the biggest ground holders in the Northern Territory of Australia. Although the Company has a primary focus on Uranium exploration, the business currently holds nine consolidated project areas across several key geological and metallogenic terrains, affording it the opportunity to diversify exploration into gold, base metals and other commodities.

The information in this report relates to exploration results compiled by Ian Bamborough, who is a Member of The Australian Institute of Geoscientists. Ian Bamborough is a fulltime employee of Territory Uranium. Ian Bamborough has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Ian Bamborough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

