



India Resources Limited

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Manager Announcements
Company Announcements Office
ASX Limited
Level 4
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Dear Sir/Madam

IRL Reaches Agreement with Alexandra Resources to acquire Territory's Stake in India Resources

India Resources Limited (**IRL**) is pleased to advise that a conditional agreement has been entered into with Alexandra Resources Pty Ltd (**ARP**) under which ARP will purchase:

1. Territory Resources Limited's (**Territory**) (ASX: TTY) 8.57% shareholding in IRL (19,019,000 shares) at \$0.024 per share; and
2. the transfer of a A\$1.5 million debt previously provided to IRL by Territory,

for a total cash settlement of A\$1.956 million. The price paid for Territory's IRL shares was determined having regard to the 30 day volume weighted average price for IRL shares and its liquidity.

The debt will be converted equally to IRL shares and convertible notes upon transfer (in 4 tranches over a 3 month period following approval by IRL's shareholder) to ARP as follows:

1. IRL will issue 28,615,032 IRL shares to ARP at an issue price of 2.621 cents per share as repayment for half of the Territory debt (totaling A\$750,000); and
2. The balance of the debt (\$750,000) will be satisfied by IRL issuing convertible notes to ARP on substantially the same terms and conditions as those set out in the recent announcement by IRL of the convertible note agreement with La Jolla Cove Investors.

The above is conditional upon approval by IRL's shareholders.

ARP has also agreed to acquire \$500,000 worth of shares in IRL on market prior to 31 December 2009. However, if the on-market purchase by ARP of IRL shares (aggregated with any other IRL shares held by ARP) will at any time exceed the 20% threshold prescribed under Section 606 of the Corporations Act, then the purchase of



any further shares in IRL will be subject to IRL shareholder approval pursuant to section 611 of the Corporations Act, or alternatively, IRL may direct ARP to invest the remaining balance of the on-market share purchases by the issue of convertible notes upon the same terms and conditions as mentioned above.

Final payment by ARP to Territory will result in Territory foregoing the interest amount accrued till the agreement date or any subsequent interest accrual related to the \$1.5 million debt owed by IRL.

ARP is an Australian based private equity company. Its main area of interest is investment in the resources sector. ARP is supported by high net worth individuals with significant business interests in Asian countries.

IRL is currently preparing a notice of meeting to seek shareholder approval for both the issue of convertible notes to La Jolla Cove Investors and the transactions with ARP. The shareholder meeting is expected to take place in mid-December 2009.

IRL Managing Director, Arvind Misra, said the introduction of ARP as a substantial shareholder in India Resources was a strategic decision and in line with our recent emphasis to introduce significant investors who will actively engage with IRL's strategy and help realise its goals. The agreement will significantly reduce IRL's debt and improve its balance sheet.

"The last 12 months have been very challenging for the Company but with overhead reductions, significant operating cost cut backs at the Surda mine, and the introduction of new investors, IRL is now turning the corner and is well positioned for a stronger growth year in 2010," said Mr Misra.

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