

Titanium Resources Group Ltd Share Transaction and TRG Board Consent

11 July 2007: The Board of Titanium Resources Group Ltd (“TRG” or the “Company”), a company incorporated in the British Virgin Islands, was informed yesterday by Ospraie Management, LLC that funds managed by Ospraie Management LLC (collectively, “Ospraie”) have purchased from Leopard Titanium Limited (“Leopard”) 26,892,476 common shares of TRG, representing 11% of the Company’s issued equity capital at a price of 65p per share. Ospraie now holds 104,822,954 common shares, which represents 44.7% of TRG’s issued equity capital. Leopard now holds 23,427,856 common shares representing 10% of the Company’s issued equity capital.

Article 56A of the Company’s Articles of Association (Takeover Provisions), provides *inter alia*, that except with the consent of TRG’s Board, when any person acquires shares (whether in a single transaction or by a series of transactions over a period of time) which, taken together with shares held by such person or acquired by persons acting in concert with such person carry 30% or more of the voting rights of the Company, such person (“the Offeror”) shall extend an offer to the holders of all the issued shares in the Company, on the basis set out in Article 56A, in cash at not less than the highest price paid by the Offeror or any person acting in concert with such person in the previous twelve months. The highest price paid by Ospraie in the last twelve months for TRG shares was 70p per share.

On 12 June 2007, the Board of TRG announced that it had consented to a waiver of this obligation in the circumstances where Ospraie had just reached 32.29% of TRG’s issued share capital. Ospraie recently approached TRG with a request for a further waiver to increase their shareholding.

Prior to Ospraie’s most recent purchase of TRG shares, the Board of TRG granted consent to enable Ospraie to increase its shareholding to a maximum of 49% without making a general offer. Before granting this consent, the TRG Board considered, among other factors, the following:

- The TRG Board believes that an offer at 70p per share would not reflect the current value and future prospects of the Company and accordingly would not be in the best interests of TRG shareholders when taken as a whole.
- On Admission to AIM in August 2005, the Company already had a 48.2% shareholder in the form of Mr Jean-Raymond Boule (whose shareholding was later announced as having been transferred to Leopard), so that exchanging one large shareholder for another should not be detrimental to other shareholders’ interests.
- At the request of the TRG Board, Ospraie has provided written confirmation that (i) it recognises the independence of TRG’s management and the TRG Board and the TRG Board’s duty to act in the best interests of all TRG shareholders; (ii) it does not expect its increased shareholding to have any effect on the operations of the Company and (iii) if it were to increase its shareholding in TRG above 49% of TRG’s issued share capital, it would extend a general offer, on the basis set out in Article 56A of TRG’s Articles of Association.
- Ospraie and the Board of TRG have confirmed that they will ensure that any dealings between TRG and Ospraie are conducted on a fully arm’s-length basis.

- With the commissioning of the dredges D2 and D3 on schedule, the Board believes the Company is well positioned to consolidate its position as one of the world's major natural rutile suppliers and that Ospraie's presence as a shareholder will be a positive factor in that process.

Information about Ospraie

Ospraie, founded in 2000 by Dwight Anderson, is a New York based investment management firm focused on basic industries, natural resources and commodities investing on a global basis. Ospraie currently manages approximately US\$6 billion and actively invests with a fundamentally driven, long-term perspective in public and private equity and debt securities, and commodities. Ospraie currently holds publicly reportable ownership positions in multiple companies in various industries, including mining.

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