



MARKET RELEASE

1 February 2016

TerraCom Limited

TRADING HALT

The securities of TerraCom Limited (the “Company”) will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Wednesday, 3 February 2016 or when the announcement is released to the market.

Security Code: TER

Belinda Mai
ADVISER, LISTINGS COMPLIANCE

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TerraCom Limited
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Australia
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ABN: 35 143 533 537

www.terra.comresources.com

1st February 2016

Private and Confidential

Ms Belinda Mai
Adviser, Listings Compliance
Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

By email: Belinda.Mai@asx.com.au

Dear Belinda,

TerraCom Limited (ASX: TER) – Request for trading halt

The Directors of TerraCom Limited (TerraCom or the Company) hereby request a trading halt to be placed on the Company's securities from the commencement of trading on Monday, 1 February 2016.

The trading halt is requested pending an update by TerraCom on the previously announced restructuring of the Company's balance sheet. In summary, the Company has:

- In principle agreement reached for a new Secured loan of USD\$5 million from its existing note holders (represented by OCP Asia), which will replace the previously envisaged AUD\$7 million equity placement by SPG Investment Holdings Ltd, significantly reducing Shareholder Dilution;
- In principle agreement reached for a new Facility with its existing note holders to invest in a new 5-year interest only bond that will replace their existing notes; and
- Received conversion notices from holders of USD\$5 million of Convertible Notes and issued corresponding shares on 29 January 2016, further reducing the Companies debt by USD\$5 million.

In accordance with Listing Rule 17.1, the Company advises that:

1. the trading halt is necessary for the Company to finalise the above agreements and to fully informed the market of the Terms and Conditions of the above;

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2. the trading halt should remain in place until the earlier of the announcement to the market or the commencement of trade on Thursday, 4 February 2016; and
3. the Company is not aware of any reason why the trading halt should not be granted.

Yours sincerely,

Craig Wallace
Chairman

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