TNG LIMITED

TNG AGREES TO SELL MANBARRUM PROJECT TO CHINESE GROUP FOR US$8.5M

RETAINS NET SMELTER RETURN, SIGNS COOPERATION AGREEMENT

HIGHLIGHTS

- ***Sale agreement signed with Chinese Group, Teng Fei Mining Ltd***
- ***Consideration comprises US$4.5M cash payment within 30 days***
- ***Balance payable in two tranches, with TNG retaining a 2% Net Smelter Return***
- ***Strategic Cooperation Agreement signed for future projects***
- ***TNG to utilise funds to progress its Mount Peake Vanadium Project and other mineral projects in the Northern Territory***

Diversified resource company TNG Limited (ASX:TNG) is pleased to advise that it has reached agreement to sell its **Manbarrum Zinc-Lead-Silver Project** in the Northern Territory to privately owned Chinese resource company, Teng Fei Mining Ltd.,(TFM) for **US$8.5 million** in cash.

In addition, under a binding sale agreement signed in Hong Kong today, TNG will receive a 2% Net Smelter Return (NSR) on any future mining production from the Manbarrum tenements.

The agreement enables TNG to realise immediate value from the Manbarrum asset, while retaining future upside exposure to the development of the zinc-lead-silver resources defined on the tenements.

The consideration for the acquisition is payable in three tranches:

- **US$4.5 million** within 30 days;
- **US$2 million** USD within 12 months; and
- a final payment of **US$2 million** within 24 months.

The funds realised from the sale will primarily be used to progress the exploration and development of TNG's prospective Mount Peake Vanadium

Project in the Northern Territory and its extensive portfolio of other mineral projects in Australia.

TNG has been retained by TFM on normal commercial rates to assist TFM with the Manbarrum Project until full consideration has been paid.

TFM is a Darwin-based exploration and mining company backed by a private consortium of Chinese investors with operations in the Mining and Chemicals industry in China.

TNG has also entered into a Co-operation Agreement with TFM to jointly assess new projects and opportunities in the minerals industry in Australia and to provide TFM with an opportunity to purchase or joint venture other TNG projects.

The Board of TNG welcomes the sale agreement, which enables TNG to recover a significant portion of historic exploration expenditure on the Manbarrum Project while benefiting from any future production from the tenements.

TNG also welcomes the ongoing co-operation between the two companies which provides significant potential for future funding and the identification of new project exploration and development opportunities.

Yours faithfully
TNG LIMITED

Paul E Burton
Director & CEO
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Enquiries:

Paul E Burton
Director & CEO **+ 61 (0) 8 9327 0900**

Nicholas Read
Read Corporate **+ 61 (0) 419 929 046**