



THUNDELARRA
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Thundelarra Exploration Ltd
ABN 74 950 465 654
ACN 085 782 994

21 May 2007



The Manager
Companies Announcement Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

Dear Sir/Madam

APPENDIX 3B – EXERCISE OF LISTED OPTIONS

We enclose an Appendix 3B in respect to exercise of 81,987 listed options expiring on 30 June 2009.

Yours sincerely
THUNDELARRA EXPLORATION LTD

Frank DeMarte
COMPANY SECRETARY

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

THUNDELARRA EXPLORATION LTD

ACN

085 782 994

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|-----------------|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 81,987 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Not Applicable |

Appendix 3B
New issue announcement

| <p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>Yes, securities will rank equally in all respects from the date of allotment with existing class of quoted securities.</p> | | | | | | |
|---|--|--------|--------------------|-------------|-----------------|------------|--|
| <p>5 Issue price or consideration</p> | <p>\$0.19 per share</p> | | | | | | |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Exercise of quoted options expiring 30 June 2009.</p> | | | | | | |
| <p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p> | <p>18 May 2007</p> | | | | | | |
| <p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p> | <table border="1"> <thead> <tr> <th data-bbox="716 1499 987 1535">Number</th> <th data-bbox="987 1499 1273 1535">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="716 1535 987 1591">106,090,590</td> <td data-bbox="987 1535 1273 1591">Ordinary Shares</td> </tr> <tr> <td data-bbox="716 1591 987 1738">13,644,780</td> <td data-bbox="987 1591 1273 1738">Options expiring 30 June 2009 exercisable at \$0.19.</td> </tr> </tbody> </table> | Number | ⁺ Class | 106,090,590 | Ordinary Shares | 13,644,780 | Options expiring 30 June 2009 exercisable at \$0.19. |
| Number | ⁺ Class | | | | | | |
| 106,090,590 | Ordinary Shares | | | | | | |
| 13,644,780 | Options expiring 30 June 2009 exercisable at \$0.19. | | | | | | |

+ See chapter 19 for defined terms.

| | Number | +Class |
|---|------------|---|
| 9 | | Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable) |
| | 1,095,000 | Options expiring 28 March 2008 exercisable at \$0.325. |
| | 11,000,000 | Options expiring 20 November 2007 exercisable at \$0.655. |
| | 1,970,000 | Options expiring 26 February 2009 exercisable at \$0.675. |
| | 460,000 | Options expiring 31 May 2009 exercisable at \$0.22. |
| | 2,500,000 | Options expiring 12 April 2009 exercisable at \$0.40. |
| | 300,000 | Options expiring 31 August 2009 exercisable at \$0.20. |
| | 400,000 | Options expiring 28 February 2010 exercisable at \$0.55. |
| | 1,500,000 | Options expiring 28 February 2010 exercisable at \$0.50. |
| | 1,000,000 | Options expiring 31 May 2010 exercisable at \$0.50. |
| | 1,000,000 | Options expiring 31 May 2011 at \$0.68. |

| | | |
|----|--|----------------|
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Not Applicable |
|----|--|----------------|

Part 2 - Bonus issue or pro rata issue

| | | |
|----|--|----------------|
| 11 | Is security holder approval required? | Not Applicable |
| 12 | Is the issue renounceable or non-renounceable? | Not Applicable |
| 13 | Ratio in which the +securities will be offered | Not Applicable |

+ See chapter 19 for defined terms.

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| | | |
|----|--|----------------|
| 14 | +Class of +securities to which the offer relates | Not Applicable |
| 15 | +Record date to determine entitlements | Not Applicable |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | Not Applicable |
| 17 | Policy for deciding entitlements in relation to fractions | Not Applicable |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | Not Applicable |
| 19 | Closing date for receipt of acceptances or renunciations | Not Applicable |
| 20 | Names of any underwriters | Not Applicable |
| 21 | Amount of any underwriting fee or commission | Not Applicable |
| 22 | Names of any brokers to the issue | Not Applicable |
| 23 | Fee or commission payable to the broker to the issue | Not Applicable |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | Not Applicable |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | Not Applicable |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | Not Applicable |

+ See chapter 19 for defined terms.

- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1.
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000

+ See chapter 19 for defined terms.

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- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 A copy of any trust deed for the additional +securities

(now go to 43)

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

| |
|----------------|
| Not Applicable |
|----------------|

39 Class of +securities for which quotation is sought

| |
|----------------|
| Not Applicable |
|----------------|

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

| |
|----------------|
| Not Applicable |
|----------------|

41 Reason for request for quotation now

| |
|----------------|
| Not Applicable |
|----------------|

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

| | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the securities in clause 38) | - | - |

(now go to 43)

+ See chapter 19 for defined terms.

All entities

Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

+ See chapter 19 for defined terms.

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- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
Company Secretary

Date: 21 May 2007

Print name: FRANK DeMARTE

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+ See chapter 19 for defined terms.