



THUNDELARRA
EXPLORATION LTD

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17 October 2003

Thundelarra Exploration Ltd
ABN 74 950 465 654
ARBN 085 782 994

Dear Optionholder

RENOUNCEABLE RIGHTS ISSUE

The Directors of Thundelarra Exploration Ltd ("the Company") announced on 8 October 2003, a Renounceable Rights Issue of approximately 5,870,975 shares on the basis of 1 new share for every 10 shares held, at an issue price of 36 cents per share to raise approximately \$2,113,551 (before issue expenses and assuming no options are exercised before the Record Date).

The Company further announced the Record Date of 29 October 2003 for the purposes of determining security holders entitled to participate in the Renounceable Rights Issue. A Prospectus for the rights issue will be despatched to all shareholders on 3 November 2003.

The terms and conditions of the options you currently hold do not entitle you to participate in the Renounceable Rights Issue which is being offered to holders of ordinary shares.

In order for Optionholders with:

1. Registered addresses in Australia and New Zealand to be able to participate in the Renounceable Rights Issue, they will need to exercise their Options prior to the Record Date; or
2. Registered addresses outside Australia and New Zealand to be able to participate in the Renounceable Rights Issue, they will need to exercise their Options and change their registered address to Australia or New Zealand prior to the Record Date

If you do not understand this letter you should consult your professional advisor or contact the Company's share registry at:

Computershare Investor Services Pty Limited
Investor enquiries (08) 9323 2000

For and on behalf of
THUNDELARRA EXPLORATION LTD

Frank DeMarte
COMPANY SECRETARY