



THUNDELARRA

EXPLORATION LTD

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1 October 2004

The Manager
Companies Announcement Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

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

Via Electronic Lodgement

SALE OF PHILLIPS RANGE DIAMOND JOINT VENTURE INTEREST

Thundelarra Exploration Ltd ("Thundelarra") is pleased to announce that it has entered into a Sale Agreement with United Kimberley Diamonds NL ("UKD") on 29 September 2004 whereby UKD will acquire the 95% interest in the Phillips Range Diamond Joint Venture from Thundelarra.

The sale of Thundelarra's diamond interests will enable Thundelarra to focus its cash and management efforts on its exciting East Kimberley nickel tenements, where extensive exploration will be undertaken by Thundelarra and its joint venture partners, LionOre Australia Pty Ltd and Sally Malay Mining Ltd.

The consideration for the sale of Thundelarra's diamond interest to UKD is the issue of;

- a) 20,000,000 ordinary fully paid shares in the capital of United Kimberley Diamonds; and
- b) 5,000,000 options to acquire the same number of fully paid ordinary shares in the capital of UKD with an exercise price of 20 cents each and expiring on 31 July 2004.

The sale of Thundelarra's interest pursuant to the Sale Agreement is conditional upon and subject to the following:

- (a) Thundelarra obtaining the approval of the Minister to the transfer of the Joint Venture interest in respect to those Phillips Range tenements that are granted pursuant the Mining Act;
- (b) the other participant either waiving or failing to exercise its pre-emptive rights pursuant to the Joint Venture Agreement;
- (c) UKD obtaining conditional approval for admission to the Official List of Australian Stock Exchange Limited ("ASX") and satisfying all the conditions imposed by ASX apart from settlement of the acquisition under this Sale Agreement; and
- (d) The offer of shares and options to be issued to Thundelarra are subject to and conditional upon UKD issuing a prospectus or other disclosure document as may be required under the provisions of the Corporations Act to enable UKD to make that offer.

If the above conditions are not duly satisfied or waived by 31 March 2005, then either party may terminate this Agreement by giving notice to that effect to the other party and upon giving such notice the Agreement shall be automatically at an end and neither party shall have any claim against the other either at law or in equity except in respect of antecedent breaches.

The transaction with UKD will see Thundelarra's 95% interest in the highly prospective Phillips Range diamond tenements being added to a portfolio of diamond tenements held by UKD. The Phillips Range tenements cover an area of approximately 950 sq kms surrounding the Aries kimberlite pipe, Australia's largest diamondiferous kimberlite.

Yours sincerely
THUNDELARRA EXPLORATION LTD

A handwritten signature in black ink, appearing to read 'Philip G Crabb', written over a horizontal line.

Philip G Crabb
CHAIRMAN

For further information about Thundelarra Exploration Ltd.

Website: www.thundelarra.com

Contacts:

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or

Brian Richardson
Director of Exploration