

11 June 2009

ASX Code: **AXY****ASX ANNOUNCEMENT****Cleo's Uranium Project Joint Venture with Thundelarra**

Atom Energy Limited ("**Atom**" or "**the Company**") is pleased to announce that a heads of agreement for a joint venture agreement has been executed with Thundelarra Exploration Ltd (ASX Code: THX). Under the agreement THX will have the right to earn a 70% interest in the Cleos Uranium Project tenements located in the Pine Creek area of the Northern Territory (approximately 175 kilometers southeast of Darwin).

Thundelarra has tenements contiguous with Atom's tenements and proposes to conduct an intensive regional exploration program over the Cleo's project area including geological mapping, airborne geophysics, ground radiometric surveying and drilling, commencing before the end of the current field season

Under the terms of the proposed joint venture agreement and subject to formal documentation:

1. THX will issue 1 million ordinary THX shares to Atom (escrowed for 6 months).
2. THX can spend \$300,000 within 3 years to earn a 70% interest in tenements EL24549, EL25477, EL25478 & EL25479 with THX required to spend a minimum of \$100,000 p.a. during the earn-in period. THX can withdraw after the first year.
3. After THX has earned its 70% interest in the tenements, Atom can elect to contribute its share of expenditure or convert to a 10% interest which is free-carried to a decision to mine. An industry-standard dilution formula applies.
4. If a decision is made to mine any part of the JORC compliant resource currently defined by Atom on EL24549, Thundelarra will pay Atom \$1,000,000 cash or issue Atom with Thundelarra ordinary shares valued at \$1,000,000.

Atom is pleased with the program proposed as part of THX's regional development strategy in the Pine Creek area and subject to formalisation of the joint venture agreement looks forward to the results of the exploration program.

For further Information contact Bruce Lane **Executive Director**

