

**ASX
ANNOUNCEMENT**

22 October 2010

Thundelarra Exploration Ltd

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THUNDELARRA
EXPLORATION

RED BORE OPTION EXERCISED

Thundelarra is pleased to report that it has exercised an option to earn a 60% interest in the Red Bore project (M52/597) and an 80% interest in four tenements at Yerrida (E51/1418, E51/1357, E51/1358 and E51/1359). In consideration the Company has issued 680,272 fully paid ordinary shares.

The Company did not exercise an option it held to earn an interest in Yerrida tenements E51/1280 and E51/1281. Details of the option and earn in arrangements are contained in an announcement made to the ASX on 15 April 2010.

Thundelarra is currently undertaking reverse circulation (RC) drilling at Red Bore to test for a down plunge extension to mineralisation associated with the discovery gossan and investigate several magnetic and gravity anomalies on M52/597. The program has encountered some delays due to a period of intense rainfall and equipment failure and is now expected to be complete in approximately one week. An induced polarization (IP) survey is also underway over selected areas of M52/597.

The details contained in this report that pertain to ore and mineralisation are based upon information compiled by Mr Simon Attwell, a full-time employee of the Company. Mr Attwell is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Attwell consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.