



THUNDELARRA

EXPLORATION LTD

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Western Australia 6005
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www.thundelarra.com

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

22 March 2005

«REG_ADDRESS_LINE_1»
«REG_ADDRESS_LINE_2»
«REG_ADDRESS_LINE_3»
«REG_ADDRESS_LINE_4»
«REG_ADDRESS_LINE_5»

Number of Options Held: <«OPT_CLASS_TOTAL»>
Amount Payable at 20.5 cents per Option: <«Price»>

Dear Optionholder

NOTICE TO OPTIONHOLDERS

We write to you as a registered holder of the above number of options as at today's date. These options entitle you to acquire ordinary fully paid shares in Thundelarra Exploration Ltd. Each option held is for the acquisition of one ordinary fully paid share, and the exercise price is 20.5 cents per share.

You are formally advised that these options will expire at 5.00pm Western Standard Time ("WST") on 30 April 2005, and official quotation on the Australian Stock Exchange will cease at the close of trading on Thursday 21 April 2005.

Options may be exercised wholly or in part by completing the exercise of option form and payment of 20.5 cents for each option exercised, by no later than Friday 29 April 2005. If the 'Notice of Exercise of Options and Application for Shares' form and payment is not received by 5.00pm WST on Friday 29 April 2005, the options will automatically lapse.

Underwriting of Options Secured

On 21 March 2005 Thundelarra entered into an Underwriting Agreement with BB Capital Pty Ltd ("Underwriter") for all the options expiring 30 April 2005. An underwriting fee of 4% will be paid to Underwriter on any shortfall of shares not taken up by option holders.

Pursuant to Listing Rule 6.24, Appendix 6A of the Australian Stock Exchange Limited (ASX), the Company provides the information contained in this notice.

Market Sale Price

The market sale price of ordinary fully paid shares in Thundelarra Exploration Ltd on the ASX was 28 cents on 21 March 2005, being the last trading day prior to the date of this notice.

During the three months preceding the date of this notice:

- the highest market price on the ASX was 38 cents on 5 February 2005; and
- the lowest market price was 25.5 cents on 17 January 2005.

A 'Notice of Exercise of Options and Application for Shares' form is enclosed for your completion.

How to Exercise your Options

Please complete the enclosed 'Notice of Exercise of Options and Application for Shares' form and then forward it together with your cheque, to be received by 5.00 pm WST on Friday 29 April 2005 to

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

Telephone: 1300 557 010
Facsimile: (08) 9323 2033

A self addressed envelope is enclosed for your convenience.

Payments must be in Australian dollars only, and cheques should be made payable to Thundelarra Exploration Ltd and crossed "Not Negotiable" and drawn on an Australian bank.

Yours sincerely
THUNDELARRA EXPLORATION LTD



Frank DeMarte
COMPANY SECRETARY

Thundelarra Exploration Ltd

ACN 085 782 994

Notice of Exercise of Options Expiring 30 April 2005 and Application for Shares

SRN/HIN: <XXXXXXXXXX>

To the Directors, Thundelarra Exploration Ltd

I/WE:

< Holder's name and >
< address details >
< >
< >

hereby exercise option(s) and hand you herewith my/our cheque for

being 20.5 cents per share on application for ordinary shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and the Constitution of the Company, and I/we authorise you to place my/our name on the register.

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1

Director

Securityholder 2

Director/Company Secretary

Securityholder 3

Sole Director and
Sole Company Secretary

Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Day/Date Month Year

Drawer	Bank	Branch / BSB	Amount
Please enter Cheque Details:			

Cheques should be made payable to "THUNDELARRA EXPLORATION LTD" and returned with this Notice to:

Computershare Investor Service Pty Limited,
GPO Box D182
PERTH WA 6840

Terms and
Conditions of
Options Overleaf

TERMS AND CONDITIONS OF OPTIONS EXPIRING 30 APRIL 2005

Each Option will entitle the holder to apply for and be allotted one Share on the following terms and conditions:

- (a) A holding statement will be issued for the Options.
- (b) The Options will expire at 5.00 pm WST on 30 April 2005 ("**Expiry Date**").
- (c) The Option is a right in favour of the Option Holder to subscribe for one Share.
- (d) Shares allotted to Option holders on exercise of Options shall be issued at 20.5 cents each ("**Exercise Price**"). The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
- (e) The Option holder may exercise Options any time prior to the Expiry Date by delivering to the registered office of the Company, to be received by the Company prior to the Expiry Date:
 - i. a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options; and
 - ii. the holding statement and a cheque made payable to the Company for the subscription monies for the Shares.
- (f) An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by the Option holder.
- (g) The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Option.
- (h) The Company will only apply for official quotation on ASX of the Options if the Company successfully relocates its place of incorporation to Western Australia, and the requirements for quotation are satisfied.
- (i) The Options shall be freely transferable.
- (j) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects.
- (k) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, the rights of the Options shall be reconstructed (as appropriate) in accordance with the Listing Rules.
- (l) The Options will not give any right to participate in dividends, bonus issues or entitlement issues until Shares are allotted pursuant to the exercise of the relevant Options. There is no right to change the exercise price of Options if the Company completes a bonus or entitlements issue.

LODGEMENT INSTRUCTIONS

Cheques shall be in Australian currency made payable to Thundelarra Exploration Ltd and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry, Computershare Investor Services Pty Ltd, GPO Box D182, Perth WA 6840.