



DIATREME RESOURCES LIMITED

ABN 33 061 267 061

Level 2, 87 Wickham Terrace, Spring Hill, Qld, 4000
PO Box 10288
Brisbane Adelaide Street
Queensland 4000

Telephone : 61 7 3832 5666

Facsimile : 61 7 3832 5300

Email : manager@diatreme.com.au

Internet : www.diatreme.com.au

ASX Code: DRX

Company Announcement Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

4 October 2007

OPTION EXPIRY NOTICE 50 CENT OPTIONS EXPIRING 1 NOVEMBER 2007

We provide a copy of the option expiry notice today provided to Doral Mineral Industries Limited.

DAVID HALL

Executive Director - Operations

attach



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4 October 2007

The Directors
Doral Mineral Industries Limited
PO Box 84
Rockingham WA 6968

OPTIONS EXPIRY NOTICE UNLISTED 50 CENT OPTIONS EXPIRING 1 NOVEMBER 2007

As the current registered holder of a parcel of the abovementioned options, you are reminded that they expire on 1 November 2007. The Options allow you to subscribe for fully paid ordinary shares in the capital of Diatreme Resources Limited and are exercisable wholly or in part by the payment of \$0.50 for each option exercised.

Please note, however, that if the in specie distribution of Xtreme Resources Limited shares is approved by shareholders at the meeting scheduled for 4 October 2007, then, as previously advised, the exercise price of your options (and all other issued options) will be reduced by an amount which will be advised to all optionholders and which will take effective on the day following the Record Date for shareholder participation in the in specie distribution (11 October 2007).

For every one option exercised, the Optionholder will be allotted one ordinary fully paid share in the capital of Diatreme Resources Limited.

Options not exercised by 5:00pm (Brisbane time) on 1 November 2007 will lapse.

Recent Ordinary Fully Paid Share Prices on Australian Stock Exchange:

- Highest closing sale price of shares during the 3 months prior to the date of this Notice was \$0.55 on 23 July 2007 and a volume of 2,016,100 shares.
- Lowest closing sale price of shares during the 3 months prior to the date of this Notice was \$0.21 on 4 July 2007 and a volume of 257,200 shares.

Latest Available Market Sale Price of the Fully Paid Shares was \$0.295 on 3 October 2007.

Procedure to Exercise

1. Complete and sign the Option Exercise Form attached to this notice.
2. Complete the Payment Section on the Option Exercise Form. Payment must accompany your Option Exercise Form
3. Return this notice after completing 1 and 2 above, together with your remittance, to the Company at:

Diatreme Resources Limited
PO Box 10288
Brisbane Adelaide Street, Qld, 4000

so as to arrive no later than 5:00pm (Brisbane time) on Thursday, 1 November 2007. Cheques must be made payable to "Diatreme Resources Limited", crossed "Not Negotiable" and drawn on an Australian bank or financial institution, and denominated in Australian currency.



David H Hall
Executive Director - Operations

Attach

DIATREME RESOURCES LIMITED

ABN 33 061 267 061

NOTICE OF EXERCISE OF OPTIONS

EXPIRING 5.00PM BRISBANE TIME

1 NOVEMBER 2007

DORAL MINERAL INDUSTRIES LIMITED

To the Directors
Diatreme Resources Limited

I/We whose full name(s) and address appears above give notice of the exercise of the options specified below:

Insert number of 1 November 2007 Options being exercised at 50 cents ? per option

to subscribe for ordinary shares in the capital of Diatreme Resources Limited.

I/We request that the company allot to me/us the shares to which I/we are entitled in accordance with the terms and conditions of the options held by me/us. I/We agree to accept the shares allotted to me/us subject to the Constitution of the Company.

If this Notice is signed by an Attorney, the Attorney declares that no notice of revocation has been received in respect of the Power under authority of which this Notice is signed.

? Note: If the proposed in specie distribution of shares in the Company's wholly owned subsidiary, Xtreme Resources Limited, is approved by shareholders at the meeting scheduled for 4 October 2007, then the 25 cent option exercise price will be reduced. The new exercise price, to be announced to the market will be effective on 12 October 2007, the day after the Record Date for the Xtreme Resources Limited in specie distribution, if such distribution is approved. Otherwise, the exercise price remains unchanged.

SIGNING REQUIREMENTS

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

Director

Director/Company Secretary

DATE

	/		/	
Day		Month		Year

Where the Optionholder is an incorporated body its Common Seal and Attestation Clause are to be affixed and the Attestation Clause signed by its authorised signatories.

Cheques must be in Australian currency, payable to "Diatreme Resources Limited, and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged with the Company at its registered office, Level 2, 87 Wickham Terrace, Spring Hill, Qld, 4000 or mailed to Diatreme Resources Limited, PO Box 10288, Brisbane Adelaide Street, Qld, 4000.

Contact Name: Contact Telephone No: