



THUNDELARRA

EXPLORATION LTD

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15 May 2006

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

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



Via Electronic Lodgement

Dear Sir/Madam

EQUITY PLACEMENT TO FUND EXPLORATION

Thundelarra Exploration Ltd ("**Thundelarra**") is pleased to announce it has successfully completed a fundraising of \$2.85 million, via a placement of shares and free attaching options, for the purposes of progressing Thundelarra's exploration projects. BBY Limited was the Lead Manager to the transaction.

The shares will be fully paid ordinary shares ranking pari passu with Thundelarra's existing fully paid ordinary shares. The options will have an exercise price of \$0.19 and be exercisable on or before 30 June 2009 ("**Options**"). Thundelarra will apply for the shares to be quoted on the Australian Stock Exchange Limited ("**ASX**"). It is proposed that the free attaching Options will be quoted on the ASX following the completion of Tranche 2 of the placement (refer below), subject to fulfilling all ASX conditions for quotation of an additional class of securities.

Thundelarra proposes to use the capital raised to progress its nickel, uranium and base metal exploration projects.

Placement

The placement will be completed in two tranches:

- Tranche 1: Issue of 2,800,000 fully paid ordinary shares at an issue price of \$0.19 each, together with 2,800,000 free attaching Options, to raise \$532,000. No shareholder approval is required with respect to the issue of Tranche 1 securities.
- Tranche 2: Issue of 12,200,000 fully paid ordinary shares at an issue price of \$0.19 each, together with 12,200,000 free attaching Options, to raise \$2,318,000, subject to shareholder approval at a General Meeting to be held in June 2006.

Thundelarra will be sending out a Notice of General Meeting shortly to its shareholders, in anticipation of holding the General Meeting in June 2006 to ratify Tranche 1 and approve Tranche 2 of the placement.

Yours sincerely

THUNDELARRA EXPLORATION LTD

A handwritten signature in black ink, appearing to be 'F. DeMarte', with a stylized flourish extending from the bottom.

Frank DeMarte
COMPANY SECRETARY

For further information about Thundelarra Exploration Ltd.

Website: www.thundelarra.com

Contacts:

Philip Crabb
Chairman
Thundelarra Exploration Ltd

or

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