Entitlement

1 Subject to adjustment in accordance with these terms and conditions, the holder is entitled to subscribe for the allotment and issue of one fully paid ordinary share in Superior Resources Limited (SPQ) upon payment of the Exercise Price before the Expiry Date (**Option**).

Exercise Price

2 The Exercise Price of each Option is $0.30 (**Exercise Price**).

Exercise Period

3 An Option is exercisable at any time after the date of grant and on or before the earlier of 5.00pm Brisbane time on 31 December 2010 (the **Expiry Date**).

4 Unexercised Options lapse If not exercised by the Expiry Date.

Option certificate

5 A certificate will be issued for the Options. If there is more than one Option on a certificate, and prior to the Expiry Date those Options are exercised in part, the Company will issue another certificate for the balance of the Options held and not yet exercised.

Manner of exercise of Options

6 Each Option may be exercised by giving notice in writing to the Company at its registered office accompanied by the Option certificate and payment of the required Exercise Price. All cheques must be payable to the Company by bank cheque or other form of cleared funds.

7 The Option holder may not exercise less than 50,000 Options at any one time, unless the Option holder has less than 50,000 Options in which event the Option holder must exercise all such Options together.

Timing of issue of Shares

8 After an Option is validly exercised, the Company must within 10 Business Days of the exercise of the Option issue and allot the Shares and a share certificate evidencing the issue and allotment of the Shares. Application will be made as soon as possible to the Australian Stock Exchange Ltd for the listing of any shares issued as a result of a valid exercise of Options

Ranking of Shares

9 Shares issued on the exercise of Options will rank equally with all existing shares on and from the date of issue in all respects.

Options not transferable

10 The Options are not transferable except to existing investors without the prior written consent of the Company.

Reconstructions

11 If there is any reconstruction of the issued share capital of the Company, the number of Shares to which the Option holder is entitled, and/or the Exercise Price, must be reconstructed in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders and neither is to be disadvantaged (subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital), but in all other respects, the terms for the exercise of a Option will remain unchanged.