

## DRILLING UNDERWAY AT ALLAMBER, NT

Thundelarra is pleased to announce that drilling is underway at its Allamber base metals project in the Pine Creek Region of the Northern Territory. Allamber is about 180km south-east of Darwin.

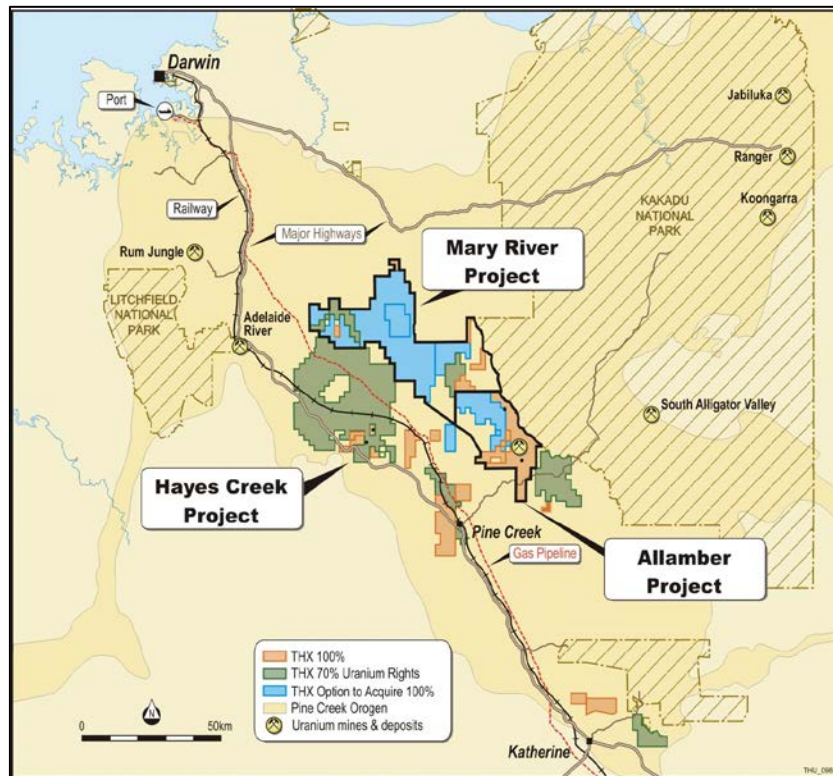


Figure 1. Allamber Project: Pine Creek regional location.

Allamber is one of three Thundelarra Projects in the Pine Creek Orogen area.

The Allamber Project area is prospective for base metals and uranium mineralisation, generally associated with a sulphidic and carbonaceous shale horizon (the Masson Formation “metapelite”) which extends along the contact with the Allamber granite (see Figure 2).

This program will comprise about 23 reverse circulation drill holes totalling approximately 2,100m of drilling to test copper-lead-zinc targets at five prospect locations in the south of the project area.

The program is designed with the overall objective of determining the geological and structural framework of the regional system. At the same time it will test individual targets for potential mineralisation.

The Hatrick and Archer Fish prospects also shown on Figure 2 are not included in the program currently underway but are scheduled to be revisited in subsequent programs.

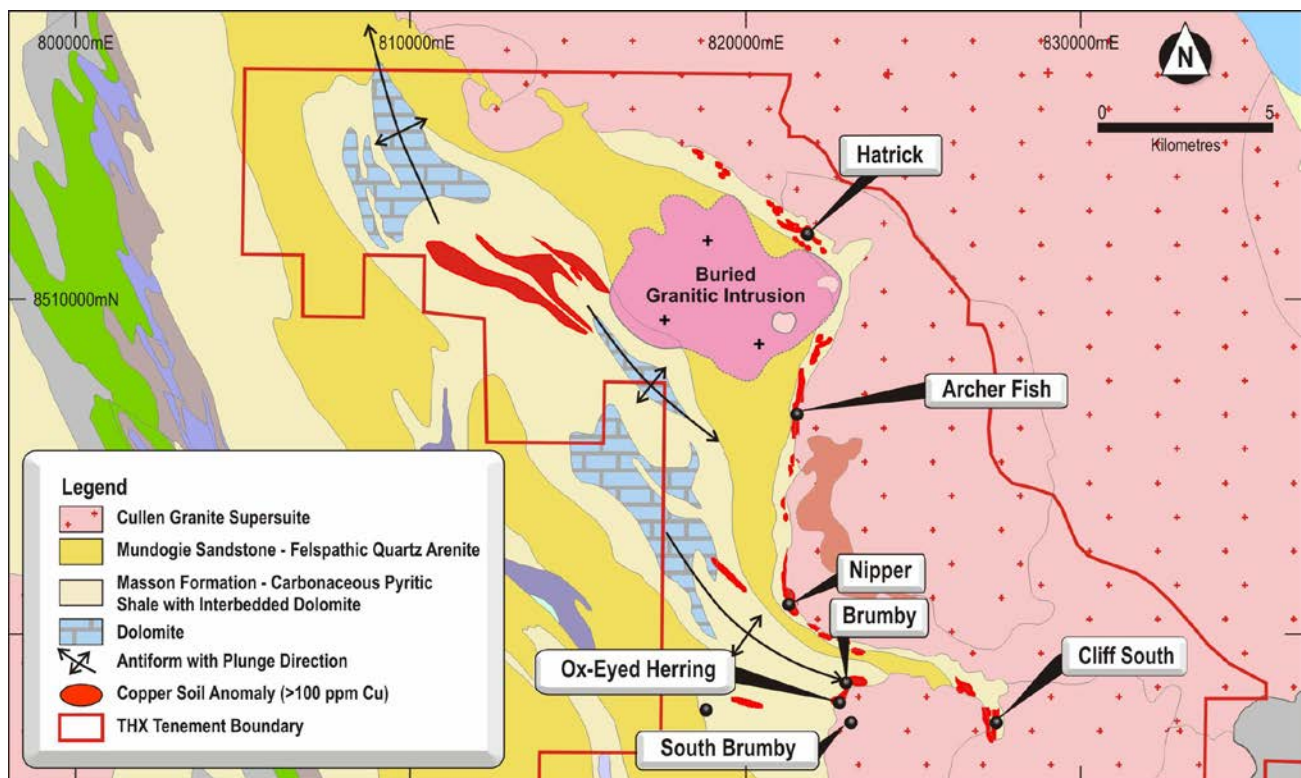


Figure 2. Allamby Project Area: indicative geology and target prospect locations.

At the **Ox-Eyed Herring** prospect geochemical copper anomalies identified from soil sampling in 2010 and 2012 will be drilled to test the concept that they could represent skarn-type mineralisation at the contact between the metapelite and silicified dolomite and the granite. Anomalous lead was also observed at a number of locations. Several holes will test to see if gossanous material found at surface might represent sulphidic material at depth. Other holes will test gravity and magnetic features that appear to be associated with the system and which were identified from detailed airborne radiometrics and aeromagnetics surveys flown in 2010 and a ground gravity survey in 2011.

At **South Brumby** the drilling will test an area where chalcocite and malachite were observed in a brecciated zone within the granite.

At **Brumby** a copper-in-soil anomaly coincident with a gravity low feature will be tested.

Several holes at **Cliff South** will follow up earlier work from previous field seasons where further copper soil anomalism has been identified in more recent programs. Cliff South has in the past also encountered uranium mineralisation associated with copper mineralisation.

Results from recent additional soil sampling at **Nipper** has helped to define more copper anomalies for drill testing.

Thundelarra anticipates that first results from samples submitted for assay will be available towards the middle of September.

**Results from hand-held XRF Analysers.**

It is company practice in the field to obtain initial guidance of potentially mineralised intervals based on the measurements indicated from hand-held XRF analysers. Such measurements have insufficient technical rigour to satisfy the JORC Code guidelines for inclusion in resource calculations and consequently Thundelarra's practice is not to report to the market any grades indicated by XRF, preferring to wait and rely on assay results received from qualified and accredited laboratories.

**Known Graphite Occurrences.**

The geological setting of carbonaceous shales intruded by later stage granitic bodies is conducive to the development of graphitic horizons resulting from the thermal metamorphism of the shales. This is the geological setting that occurs at Allamber along the 20 kilometres of contact between the carbonaceous metapelite and the Allamber granite to the east.

Regional fieldwork and drill logs from drill programs in previous field seasons has confirmed the presence of graphite along this contact. The continuity, extent, carbon grade and metallurgical characteristics of the known occurrences have not been the focus of Thundelarra's exploration activities in the past. However, given the current market sentiment and focus on graphite, several chip samples from previous drill holes at Hatrick and Cliff South have been submitted for laboratory analysis to ascertain carbon content and selected samples will also be submitted for petrological analysis to provide an indication of the technical characteristics of these occurrences. A decision will then be made as to whether or not a more focused follow-up program is warranted.

**Update on Results of Drilling at Pyramid Project, Pilbara, WA.**

A program of 17 Reverse Circulation drillholes for 2,130m has been completed at Pyramid (ASX Release: 12 July 2012). Samples are currently at the laboratory and assay results are pending.

**For Further Information Contact:**

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**THUNDELARRA EXPLORATION LTD**

**Issued Shares: 178.0M**

**ASX Codes: THX & THXOA**

*The details contained in this report that pertain to Exploration Results, Mineral Resources or Ore Reserves, up to and including 30 June 2012, are based upon information compiled by Mr Brian Richardson, a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and an employee of the Company in that period. Details contained in this report from 01 July 2012, have been compiled by Mr Costica Vieru, a Member of the Australian Institute of Geoscientists and an employee of the Company. Both Mr Richardson and Mr Vieru have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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). Both Mr Richardson and Mr Vieru consent to the inclusion in this report of the matters based upon their information in the form and context in which it appears.*