



DEEP YELLOW LIMITED

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26 February 2008

EMPLOYEE OPTION ISSUE RELEASE OF RESTRICTED SECURITIES

The Directors have resolved to issue 20,100,000 unlisted options to acquire ordinary shares in Deep Yellow Limited to employees, and contractors. The issue has been made in two packages and is pursuant to the terms of the Deep Yellow Limited Directors, Employees and Other Permitted Persons Option Plan which was approved at the Company's Annual General Meeting held on 30 November 2006.

The Directors continue to use the policy of issuing options as a reasonable basis for rewarding employees and contractors and providing an incentive to join / remain with Deep Yellow.

The Company has established a full complement of operational staff in Namibia to resource its expanded drilling programme and has appointed a number of new personnel in Australia. The Directors have issued two packages of options on the following basis:

Reward Options

Directors have issued 11,060,000 Reward Options on the following terms:

- 50% vest on 1 December 2008 and have an exercise price of 27.5 cents which is payable on or before 30 June 2011; and
- 50% vest on 1 December 2009 and have an exercise price of 40 cents which is payable on or before 30 June 2011.

Loyalty Options

Directors have issued 9,040,000 Loyalty Options on the following terms:

- 50% vest on 1 June 2009 and have an exercise price of 45 cents which is payable on or before 30 June 2011; and
- 50% vest on 1 June 2010 and have an exercise price of 60 cents which is payable on or before 30 June 2011.

The Directors reserve the right to cancel the options in the event that an employee or contractor resigns from their employment or ceases their engagement with the Company.

No Director or Director related entity will participate in this issue. The attached Appendix 3b provides details of the options.

Release of Restricted Securities

Pursuant to an announcement earlier this month (12 February 2008), the Directors confirm the release today of the voluntary restriction applicable to 82 million ordinary shares issued in late 2006 and in part consideration for the acquisition/merger of Raptor Minerals Limited ("Raptor").

Raptor through wholly owned Namibian subsidiary companies, owns and controls Namibian Exclusive Prospecting Licences (EPL's 3496 - Tubas, 3497 – Tumas, 3499 - Ripnes and 3498 - Aussinanis).



Mark Pitts
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

DEEP YELLOW LIMITED

ABN

97 006 391 948

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Unlisted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | A) 11,060,000
B) 9,040,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | A) Reward Options <ul style="list-style-type: none">• 50% vest on 1 December 2008 and have an exercise price of 27.5 cents which is payable on or before 30 June 2011; and• 50% vest on 1 December 2009 and have an exercise price of 40 cents which is payable on or before 30 June 2011. B) Loyalty Options <ul style="list-style-type: none">• 50% vest on 1 June 2009 and have an exercise price of 45 cents which is payable on or before 30 June 2011; and• 50% vest on 1 June 2010 and have an exercise price of 60 cents which is payable on or before 30 June 2011. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>A) and B) If exercised shares issued will rank equally with those already on issue.</p>				
<p>5 Issue price or consideration</p>	<p>Nil</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>A) and B) Options issued as an incentive to Employees and contractors and pursuant to the terms of the Deep Yellow Option Scheme.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>A) and B) 26 February 2008</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1276 989 1321">Number</th> <th data-bbox="989 1276 1359 1321">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1321 989 1536">1,108,726,958</td> <td data-bbox="989 1321 1359 1536">ORD</td> </tr> </tbody> </table>	Number	+Class	1,108,726,958	ORD
Number	+Class				
1,108,726,958	ORD				

+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		12,500,000 31/7/08 at 8.1c	Unlisted options
		3,000,000 31/12/08 at 21.1c	“ “
		2,000,000 31/12/08 at 31.1c	“ “
		16,000,000 30/11/09 at 55.1	“ “
		2,912,500 31/12/09 at 44.6c	“ “
		2,912,500 31/12/10 at 59.6c	“ “
		787,500 30/6/10 at 64.6c	“ “
		787,500 30/6/11 at 74.6c	“ “
		12,500,000 30/11/10 at 59.5c	“ “
		5,530,000 30/6/11 at 27.5c	“ “
		5,530,000 30/6/11 at 40c	“ “
		4,520,000 30/6/11 at 45c	“ “
		4,520,000 30/6/11 at 60c	“ “
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	

+ See chapter 19 for defined terms.

- | | | |
|----|---|--|
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Despatch date | |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now
 Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/>

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



26 February 2008

Sign here: Date:
(Director/Company secretary)

Print name: Mark Pitts
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