

24 May 2011

UNMARKETABLE PARCEL SALE FACILITY

The Board of Deep Yellow Limited (DYL or the Company) is pleased to announce that it has established a share sale facility for holders of unmarketable parcels of the company's shares.

The Record Date for the purposes of establishing holders of unmarketable parcels has been set at close of trade on Wednesday 18 May 2011. An unmarketable parcel (which is a parcel of DYL shares with a market value of less than \$500 on the record date) will be any shareholding of 2,941 shares or less.

DYL is offering this facility to assist shareholders of unmarketable parcels (determined as at the Record Date) to sell their DYL shares without having to use a broker or pay a brokerage. DYL will organise payment of all the costs of sale for those shareholders who take advantage of the facility (although any tax consequences from the sale will be the shareholder's responsibility). The shares will be sold at market price for the relevant shares.

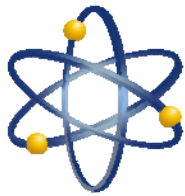
Over 2,147 of the Company's approximately 9,679 shareholders hold unmarketable parcels making up approximately 0.25% of the Company's fully paid ordinary shares on issue. By facilitating the sale of unmarketable parcels the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings.

Attached is a copy of the letter, information notes and the retention form which has today been sent to all shareholders holding an unmarketable parcel on the Record Date.

For further information on this announcement contact Mr Mark Pitts at Deep Yellow 08 9286 6999 or visit www.deeppyellow.com.au.



Mark Pitts
Company Secretary
On behalf of the Board of Directors
Deep Yellow Limited



Deep Yellow Limited

24 May 2011

Name
Address

Dear Shareholder

IMPORTANT NOTICE – Sale of your Unmarketable Parcel of Deep Yellow Limited Shares

I am writing to advise you that Deep Yellow Limited (DYL or the Company) has established a share sale facility ('Facility') for holders of shares valued at less than \$500 as at close of trade on Wednesday 18 May 2011 ('Unmarketable Parcels'). The facility is being established in accordance with the Company's Constitution and the ASX listing rules.

DYL is offering the Facility to assist holders of Unmarketable Parcels to sell their shares. Holders of Unmarketable Parcels who take advantage of the facility will have their shares sold without having to act through a broker or pay brokerage. The Company will also organise payment of other costs associated with the sale (although any tax consequences from the sale of your shares will be your responsibility).

Our records show that you held an Unmarketable Parcel based on the DYL share price of \$0.17 as at close of trade on Wednesday 18 May 2011 ('Record Date'). Unless you advise the Company that you do NOT wish to sell your shares within six (6) weeks of receipt of this letter, DYL intends to sell your shares through the Facility in accordance with Clause 31 of the Company's Constitution and the Australian Securities Exchange Listing Rules. Payment will be sent to you following settlement of the sale or otherwise as soon as is practicable. The shares will be sold at the market price.

What should you do?

If you do NOT wish to sell your shares through the Facility, you must complete and return the attached form so that it is received by 5.00 pm (Perth time) on Tuesday 5 July 2011.



If you want to sell your shares through the Facility, you do not need to take any action. By refraining from taking any action, after the expiration of the time prescribed in the ASX Listing Rules and the Company's Constitution, you will be deemed to have irrevocably appointed the Company as your agent:

- (a) to sell all of your shares at a price not less than the Authorised Price and without any cost being incurred by you; and
- (b) to deal with the proceeds of the sale as set out in this letter.

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility you should consult your legal, financial or taxation adviser.

The attached information pack sets out further details of the Facility, which you should read before making any decision. You can also contact the Company Secretary on +61 8 9286 6999 if you have any queries about lodging your form or the practical operation of the Facility.

Yours sincerely

Mark Pitts
Company Secretary
On behalf of the Board

INFORMATION PACK FOR THE UNMARKETABLE PARCEL SALE FACILITY**1. What is an Unmarketable Parcel of shares?**

A Parcel of shares valued at less than \$500 as at close of trade on the Record Date.

2. What price will I receive for shares sold through the Facility?

The price that you receive for your shares under the Facility will be determined by when and how the shares are sold. Deep Yellow Limited (DYL) directors may sell your shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market the price will depend on a number of factors, including market conditions at the time of sale. You will not have control over the time at which your shares are sold, the price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, may not be the best price on the day that your shares are sold and may be an average price per share based on the price obtained for all the shares sold under the Facility. If the DYL directors sell your shares other than on market, the price will be the price that the DYL directors have been able to negotiate with the acquirer or acquirers.

3. What is the price of Deep Yellow shares?

The last sale price of DYL shares on Wednesday 18 May 2011 was A\$0.17. The share price changes frequently and more recent prices are available in newspapers and from the ASX website (www.asx.com.au) under the ASX code 'DYL'.

4. When will the proceeds from the sale of shares be sent to me?

Payment will be sent to you following settlement of the sale or otherwise as soon as is practicable. Payment will be made in Australian dollars by cheque. You will be notified by way of a transaction confirmation statement of the number of your shares sold, and the price and total sale proceeds. The transaction confirmation statement and cheque will be sent by post to your address as shown in the share register.

5. If I buy more shares, will I retain my holding?

Yes, DYL will treat any purchase of additional shares as an indication that you do not want your shares to be sold through the Facility. For a purchase to be an effective notification that you wish to retain your shares, any additional shares must be registered by 5.00 pm (Perth time) on Tuesday 5 July 2011 under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.



Deep Yellow Limited

6. Where can I get further information?

If you have any questions concerning your shareholding or how the Facility will work, please contact our Company Secretary, Mark Pitts, by telephone on 08 9286 6999 (from within Australia) or on +61 8 9286 6999 (from outside Australia).

7. Important notes

DYL reserves the right to change any of the dates referred to in this letter by notice to the ASX.

This letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the Facility is the best way to sell DYL shares.

If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

NOTE:

If you currently have more than one holding on the DYL share register, you may wish to consider amalgamating them. This may result in your amalgamated holding no longer being an Unmarketable Parcel. Under these circumstances your shares will not be sold as part of this facility.

How to complete this form

Securityholders who wish to retain their shares must lodge a Share Retention form.

A	Registration Name(s) Your name and address as it appears on the register of Deep Yellow Limited.	D	Contact details Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.
B	Number of Shares as at Record Date This is the total number of Shares you held at 5pm (AWST) 18 May 2011.	E	Signature(s) You must sign and date the form as follows in the space provided: Joint holding: where the holding is in more than one name all of the securityholders must sign. Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.
C	Retention of Shares If you would like to retain your shares, please mark the box on the front of the form and return it in accordance with the lodgement instructions below. If this form is not received by that time, and you have not otherwise validly notified the Company that you wish to retain your Shares by that time, the Company will be entitled to have your Shares sold for you. If you wish to sell your Shares under the Unmarketable Parcel Sale Facility, you should not complete this form.		

Consolidation of shareholdings

If you have more than one holding on Deep Yellow Limited's register and you do not sell your Shares under the Unmarketable Parcel Sale Facility, you should consider consolidating them. For further advice in this regard, please contact Computershare Investor Services Pty Limited ('CIS') on 1300 850 505 (within Australia) or 61 3 9415 4000 (outside Australia).

Lodgement of Form

If you wish to retain your Shares, this Share Retention Form must be completed and received by CIS Melbourne **by no later than 5pm AWST on 5 July 2011.**

It is your responsibility to allow sufficient time for this form to be received by CIS.

Your Share Retention Form must be sent to:

Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 8060

Neither CIS nor the Company accepts any responsibility if you lodge the Share Retention Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for the Company, for the purpose of effecting your instructions in relation to the Unmarketable Parcel Sale Facility, maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to the Company and its professional advisers, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the Company in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your Securityholding please contact CIS on telephone 1300 850 505.

This form may not be used to notify your change of address. For information please contact CIS on 1300 850 505 or visit the share registry at www.computershare.com

S R F

D Y L