

15 December 2011

EMPLOYEE PERFORMANCE SHARE RIGHTS

Deep Yellow Limited is pleased to inform the market that the Board has approved an issue of 2,664,400 performance share rights in Deep Yellow Limited to Employees and Contractors.

The issue is pursuant to the terms of the shareholder approved Deep Yellow Awards Plan.

The performance share rights issue has been made subject to the following vesting conditions;

- 20% of the performance rights will vest on 1 July 2012 subject to the recipient remaining employed up to the 1 July 2012 test date;
- 20% of the performance rights will vest on 1 July 2013 subject to the recipient remaining employed up to the 1 July 2013 test date; and
- 30% of the performance rights will vest on 1 July 2014 subject to the recipient remaining employed up to the 1 July 2014 test date; and
- 30% of the performance rights will vest on 1 July 2014 subject to the recipient remaining employed up to the 1 July 2014 test date and subject to a Market Price Test. The Market Price Test measures the increase in share price of the Company such that the Performance Rights will vest if the 10 day VWAP of trading in the Company's shares up to the 1 July 2014 test date is not less than 85% above market price at the Date of Invitation.

Refer to the attached Appendix 3b for further details



Mark Pitts
Company Secretary

Further information relating to the Company and its various exploration projects can be found on the Company's website at www.deeppyellow.com.au.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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	Performance share Rights
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	2,664,400
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)	Subject to vesting conditions as follows:- Time based – 532,880 – 1 July 2012 532,880 – 1 July 2013 799,320 – 1 July 2014 Balance of 799,320 subject to a Market Price Test to be measured 1 July 2014. The Market Price Test to be 10 day VWAP of trading in the Company's shares to be not less than 85% above the market price at the date of invitation.
4	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	From the date of vesting only.

5	Issue price or consideration	Nil	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Performance Share Rights pursuant to the Deep Yellow Limited Awards Plan	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	15 December 2011	
		Number	+Class
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	1,128,736,403	Ordinary
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,300,000 31/12/11 at 27.5 c	Unlisted options
		440,000 30/06/12 at 27.5 c	“ “
		625,000 30/06/12 at 60c	“ “
		2,550,000 30/06/12 at 35c	“ “
		3,325,000 30/06/12 at 45c	“ “
		1,006,070	2011 Performance share rights granted 4 February 2011
		2,570,000	2011 Performance share rights granted 28 February 2011
		600,000	2011 Performance share rights granted 1 July 2011
		2,664,400	2011 Performance Share Rights Granted 15 December 2011
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	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or sub-registers) 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 Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
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	
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	

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.



15 December 2011

Sign here:
(Director/Company secretary)

Date:

Print name: Mark Pitts
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