



ABN 97 006 391 948

Level 1, 329 Hay Street, Subiaco WA 6008
PO Box 1770, Subiaco WA 6904

Tel : 08 9286 6999
Fax : 08 9286 6969

admin@deepyellow.com.au
www.deepyellow.com.au

19 December 2006

The Companies Announcement Office
Australian Stock Exchange Limited
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sirs

ENTITLEMENT ISSUE & ALLOTMENT / MT ISA DRILLING UPDATE

Entitlement Issue & Allotment

Deep Yellow is pleased to advise that following the closure of the Entitlement Issue, the Directors have today resolved to allot and issue 129,387,726 ordinary fully paid shares at 12 cents each to raise a total of \$15,526,527.12.

These shares will be downloaded into the issuer sponsored sub-register today, Tuesday 19 December 2006.

After this issue the Company will have a total of 873,433,692 ordinary fully paid shares on issue.

A statement setting out the top 20 largest holders of this class of security and the percentage held is attached.

Mt Isa Drilling Update

Due to safety concerns caused by bush fires in close proximity to the drilling rig, the Company, at the drillers' request, yesterday terminated the Mt Isa RC percussion drill programme. A total of 7 holes for 714 metres was drilled at the Lochness Prospect and 2 holes for 140 metres were drilled at the Miranda Prospect.

With laboratories at full capacity over the seasonal break, the Company anticipates that assay results from the drill programme may not be available until February 2007.

Yours faithfully

MARK PITTS
Company Secretary

TOP 20 LARGEST HOLDERS OF ORDINARY FULLY PAID SHARES

NAME OF SHAREHOLDER	NO. OF SHARES	% HELD	RANK
NATIONAL NOMINEES LIMITED	96,030,974	10.99	1
ROBERT ANTHONY HEALY	61,200,000	7.01	2
DR LEON EUGENE PRETORIUS	60,000,000	6.87	3
PALADIN ENERGY MINERALS NL	56,340,000	6.45	4
PALADIN RESOURCES LTD	38,586,163	4.42	5
MR ZAC ROSSI & MRS THELMA ROSSI	34,132,302	3.91	6
GILLIAN SWABY	28,657,758	3.28	7
ANZ NOMINEES LIMITED <CASH INCOME A/C>	16,420,741	1.88	8
MANOTEL PTY LTD	14,000,000	1.60	9
CITICORP NOMINEES PTY LIMITED	13,517,480	1.55	10
MR ROBERT HEALY & MRS HELEN HEALY	12,800,000	1.47	11
MS RITA COPPA <THE EMPIRE A/C>	9,052,632	1.04	12
MRS HEATHER JOY BUCHANAN	8,362,447	1.96	13
STRATEGIC CONSULTANTS PTY LTD	6,120,000	0.70	14
MR SEAN REVEILLE LLEWELYN	5,400,000	0.62	15
CHALLENGER TRADING CORPORATION LIMITED	5,140,000	0.59	16
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,018,472	0.57	17
MR GLENN MARTIN COURTIS	4,902,000	0.56	18
NEFCO NOMINEES PTY LTD	3,844,437	0.44	19
KAIDOR PTY LTD	3,099,507	0.35	20