

By E-Lodgement

No. of pages: 13

17 October 2008

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

The annual general meeting will be held:

- at Level 19, 15 William Street, Melbourne 3000;
- on 19 November 2008 at 11.00am.

Yours faithfully



Ian Pamensky
Company Secretary

About Alliance Resources

Alliance Resources Limited is an emerging uranium and gold producer. Alliance has a 25% free carried interest in the Four Mile uranium discovery in South Australia. Its 75% joint venture partner and operator, Quasar Resources Pty Ltd, is an affiliate of Heathgate Resources Pty Ltd, which owns and operates the Beverley Uranium Mine, located immediately east of Four Mile. Alliance is also developing the Maldon Gold Project in Victoria and exploring for copper-gold near Coober Pedy in South Australia, and for copper and base metals near Broken Hill in New South Wales.



ALLIANCE RESOURCES LIMITED

ABN 38 063 293 336

(‘Alliance’ or ‘Company’)

NOTICE OF ANNUAL GENERAL MEETING and EXPLANATORY STATEMENT

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR ATTENTION

If you are in any doubt as to how to deal with it,
please consult your financial or other professional adviser.

The annual general meeting will be held:

- at Level 19, 15 William Street, Melbourne 3000;
- on 19 November 2008 at 11.00am.

You can vote by:

- attending and voting at the meeting; or
- appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to Alliance in the manner set out in section 6(a) of this notice of meeting. The proxy form (and any power of attorney under which it is signed) must be received by Alliance no later than 11.00am on 17 November 2008. Any proxy form received after that time will not be valid for the meeting.

ALLIANCE RESOURCES LIMITED
ABN 38 063 293 336

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the members of **Alliance Resources Limited** will be held:

- on **Wednesday, 19 November 2008**
- at **11.00am**
- at **Level 19, 15 William Street, Melbourne 3000**

1. RESOLUTIONS

A. Financial statements and reports

To table the following statements and reports and provide members with the opportunity to raise any issues or ask questions generally of the directors concerning those financial statements or the business operations of the Company:

- (a) the financial report of the Company and of the controlled entities for the year ended 30 June 2008;
- (b) the directors' report; and
- (c) the independent auditor's report thereon.

B. Ordinary resolutions

To consider and, if thought fit, to pass the following resolutions each as an ordinary resolution:

Resolution 1: Adoption of Remuneration Report

"THAT the Remuneration Report for the year ended 30 June 2008 be adopted by the Company."

Resolution 2: Re-election of Director

"THAT Mr. Ian J Gandel, a Director retiring by rotation in accordance with rule 58.1 of the Company's Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a Director of the Company."

Resolution 3: Election of Director

"THAT Mr. Patrick Mutz, having been appointed as a Director of the Company by a resolution of the Board of Directors dated 11 August 2008, offers himself for election pursuant to rule 56.1 of the Company's Constitution and being eligible, be elected as a Director of the Company."

Resolution 4: Issue of Options to Mr. Patrick Mutz pursuant to Employee Share Option Plan

"Subject to and conditional upon the passing of Resolution 3 and Mr. Patrick Mutz commencing full time employment as the Managing Director of the Company on or before 1 January 2009 THAT under and for the purposes of Listing Rule 10.14 of the ASX Limited and for all other purposes, the issue to Mr. Patrick Mutz of 2,000,000 options to subscribe for ordinary shares under the Alliance Resources Employee Option Plan, on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting be approved."

2. VOTING RESTRICTIONS

In accordance with the Listing Rules of ASX Limited the Company will disregard any votes cast on resolution 4 by Mr. Mutz, any person in respect of whom ASX has expressed an opinion under Listing Rule 10.14.3 or any associate of the aforementioned persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. VOTING ENTITLEMENT

The Company has determined, in accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, that the Company's shares quoted on ASX Limited at 7.00pm AEST on 17 November 2008 will be taken for the purpose of the annual general meeting to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote (if not excluded) at the meeting.

4. HOW TO VOTE

Shareholders entitled to vote at the Annual General Meeting may vote by attending the Meeting in person, by attorney or proxy or, in the case of corporate shareholders, by a corporate representative.

5. VOTING IN PERSON OR BY ATTORNEY

Shareholders or their attorneys wishing to vote in person should attend the Meeting. Persons are asked to arrive at least 30 minutes prior to the time the Meeting is to commence, so that their shareholding may be checked against the register and their attendance recorded. Shareholders intending to attend the Meeting by attorney must ensure that they have, not later than 48 hours prior to the time the Meeting is to commence, provided the original or a certified copy of the power of attorney to the Company, in the same manner prescribed below for the giving of proxy forms to the Company.

6. VOTING BY PROXY

- (a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 11.00 am Melbourne time on 17 November 2008 by:
- Post in the reply paid envelope provided
 - Hand delivery to: Alliance Resources Limited c/- Computershare Investor Services Pty Limited, 452 Johnston Street, Abbotsford, Victoria 3067 or
 - Fax to: Alliance Resources Limited C/- Computershare Investor Services Pty Limited on 1800 783 447.
- (b) A shareholder who is entitled to vote at the meeting may appoint:
- (1) one proxy if the shareholder is only entitled to one vote; or
 - (2) one or two proxies if the shareholder is entitled to more than one vote.
- (c) If a shareholder appoints one proxy, that proxy may vote on a show of hands. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- (d) Where the shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.
- (e) A proxy need not be a shareholder of the Company. In the case of joint holders, all should sign the proxy form. In the case of corporations, proxies must be executed in accordance with the Corporations Act.
- (f) To be valid, a proxy form signed under a power of attorney must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
- (g) If the abstention box on the proxy form for the item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant shares will not be counted in calculating the required majority on a poll. If no box is marked, the proxy will not be directed as to how to vote and may vote as he or she thinks fit.
- (h) If the proxy form is signed by the shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the Annual General Meeting, the chairperson of the Meeting may either act as proxy or complete the proxy by inserting the name of one or more Directors or the Company Secretary.
- (i) The chairperson of the Annual General Meeting intends to vote all undirected proxies from shareholders (who are eligible to vote in favour of the Resolutions) in favour of the Resolutions to be voted on at the Annual General Meeting. The chairperson will not vote any undirected proxies from shareholders ineligible to vote in favour of the Resolutions.
- (j) If you require an additional proxy form, the Company will supply it on request to the undersigned.

7. VOTING BY CORPORATE REPRESENTATIVE

Corporate shareholders wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from the Registry;
- (b) complete and sign the form in accordance with the instructions on it; and
- (c) bring the completed and signed form with them to the Annual General Meeting.

DATED 17 October 2008

By order of the Board.



Ian Pamensky
Company Secretary

ALLIANCE RESOURCES LIMITED
ABN 38 063 293 336

EXPLANATORY STATEMENT

1. INTRODUCTION

The purpose of this Explanatory Statement is to provide shareholders with an explanation of the business of the meeting and the Resolutions proposed to be considered at the Annual General Meeting on **19 November 2008** and to assist shareholders in determining how they wish to vote on those Resolutions. This Explanatory Statement should be read in conjunction with the Notice of Meeting and forms part of the Notice of Meeting.

2. BUSINESS OF THE MEETING - SUMMARY

- a. To table the financial statements of the Company for the period ended 30 June 2008 and to give the members the opportunity to raise issues and ask questions generally concerning the financial statements or business operations of the Company.
- b. To consider and vote on the following ordinary resolutions:

Resolution 1 - to adopt the Remuneration Report;

Resolution 2 - to re-elect Mr. Ian J. Gandel as a Director;

Resolution 3 - to elect Mr. Patrick Mutz as a Director; and

Resolution 4 – to issue options to Mr. Patrick Mutz pursuant to the Alliance Resources Employee Option Plan.

3. WHY THE MEETING IS BEING HELD

a. Financial Statements and Reports

The Board is required to lay before the meeting the financial statements, Directors' report and independent auditor's report for the year ended 30 June 2008.

Copies of the Annual Report for the period ended 30 June 2008 are being despatched to shareholders with this Notice of Meeting on or about 19 October 2008.

Shareholders can also request additional copies of the Annual Report by telephoning the Company Secretary, Mr. Ian Pamensky on (+61 3) 9697 9090.

The chairperson of the meeting will take shareholders' questions and comments about the management of the Company. The auditor of the Company will be available to take shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements or the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the meeting, written questions to the auditor about the content of the auditor's report or the conduct of the audit of the annual financial report to be considered at the meeting may be submitted not later than five business days before the meeting to:

The Company Secretary
Alliance Resources Limited
Suite 3, 51-55 City Road
Southbank Victoria 3006

Facsimile: +61 3 9697 9091

E-mail: ianp@allianceresources.com.au

Copies of any questions received will be made available at the meeting. The chairperson of the meeting will allow the auditor to answer written questions submitted to the auditor before the meeting. If the auditor has prepared a written answer to a question, the chairperson of the meeting may permit the auditor to table that written answer. A written answer tabled at the meeting will be made reasonably available to members as soon as practicable after the meeting.

Shareholders are not required to pass any resolution in relation to the financial statements and reports (other than Resolution 1 being the adoption of the Remuneration Report for the year ended 30 June 2008).

b. Resolution 1 – Adoption of Remuneration Report for year ended 30 June 2008

The Directors' report in the Annual Report for the year ended 30 June 2008 contains (in a separate and clearly defined section) a Remuneration Report which sets out the remuneration policy of the Company and reports the remuneration arrangements in place for specified executives and the Directors of the Company (all of whom are non-executive Directors).

The Company is required by the *Corporations Act* to put to the vote at the annual general meeting a resolution that the Remuneration Report be adopted. The Company is also required to inform shareholders in the notice of the annual general meeting that a resolution to this effect will be put at the meeting.

Before calling for votes in relation to this resolution, the Chairman of the meeting will allow a reasonable opportunity for the members present to ask questions about, or make comments on, the Remuneration Report.

It should be noted that, in accordance with section 250R(3) of the *Corporations Act*, the vote on this resolution is advisory only and does not bind the Directors or the Company. Accordingly, the Company will not be required to alter any arrangements detailed in the Remuneration Report, should the Report not be adopted. However, notwithstanding the strict legal position, the Board has determined that it will take the outcome of the vote into account when considering the remuneration practices and policy of the Company.

The Directors make no voting recommendation to shareholders in relation to this resolution.

c. Resolution 2 - Re-election of Mr. Ian J. Gandel as a Director

Rule 58.1 of the Company's Constitution provides that at every annual general meeting one third of the Directors or, if their number is not a multiple of three, then the number nearest to but not more than one third of the Directors, must retire. The Directors retire by rotation, with the Director who has been the longest in office since being elected being the Director who must retire in any year. If two or more Directors were elected on the same day, they are required to agree among themselves or determine by drawing lots which of them must retire. Under Rule 58.4, a retiring Director is eligible for re-election as a Director at the annual general meeting at which he retires.

Mr. Ian J Gandel has been a Director of the Company since 15 October 2003. He is a non-executive Director. Details of his experience and qualifications are set out on page 10 of the Annual Report.

Mr. Gandel will retire in accordance with the requirements of the Company's Constitution at the close of the annual general meeting. As he is entitled to, and is eligible for, re-election, he seeks re-election as a Director of the Company at the meeting.

The Directors (other than Mr. Gandel) recommend that you vote in favour of this resolution. Mr. Gandel makes no recommendation to shareholders.

d. Resolution 3 – Election of Mr. Patrick Mutz as a Director

Rule 56.1 of the Company's Constitution provides that the Directors may appoint any person as a Director to fill a casual vacancy or as an addition to the Board. Under rule 56.2 a person so appointed ceases to hold office at the end of the next annual general meeting but is eligible to be re-elected. Mr. Patrick Mutz, having been appointed as a Director of the Company by a resolution of the Board on 11 August 2008, offers himself for re-election as a Director of the Company.

Mr. Patrick Mutz has 30 years of industry experience within the international uranium mining industry across executive, managerial and technical roles in the United States, Germany and Australia. He was, until November 2006, the Managing Director of Operations at Heathgate Resources Pty Ltd in South Australia. Heathgate is an affiliate of General Atomics, USA, and is the owner and operator of the Beverley Uranium Mine in South Australia. Beverley is Australia's only and one of the world's largest and most advanced in-situ uranium mining operations.

Mr. Mutz was responsible for all aspects of Heathgate's operations in Australia including its affiliate's Quasar Resources, exploration activities. Quasar was responsible for the discovery of the world-class Four Mile uranium deposit in South Australia.

Mr. Mutz is a Registered Environmental Manager (REM) and holds a Masters of Business Administration in Global Business Management from the University of Phoenix (USA), as well as a Bachelor of Science in Business Management.

Mr. Mutz is currently Managing Director of Uranium Exploration Australia Limited (ASX: UXA) having been appointed to that position on 29 January 2007. He has been offered, and has accepted the position of Managing Director of Alliance and is expected to take up that position in early December 2008.

The Directors (other than Mr. Mutz) recommend that you vote in favour of this resolution. Mr. Mutz makes no recommendation to shareholders.

e. Resolution 4 – Issue of Options to Mr. Patrick Mutz pursuant to the Alliance Resources Employee Option Plan

Under the Alliance Resources Employee Option Plan, the Board may invite employees of the Company, including directors, to participate in the Plan and receive options to subscribe for unissued ordinary shares in the Company.

Shareholder approval is now sought to the proposed issue to Mr. Mutz, upon him becoming Managing Director of the Company, of 2,000,000 options under the Plan. Shareholder approval is required under ASX Listing Rule 10.14 because Mr. Mutz will be a director of the Company.

The issue of securities under the Alliance Resources Employee Option Plan was approved at the annual general meeting of the Company held on 23 November 2006. A summary of the Plan's terms is set out below and a copy of the Plan is available to any shareholder on request to the Company Secretary.

It is proposed that, subject to and conditional upon the passing of Resolution 3 **and** Mr. Mutz commencing full time employment as the Managing Director of the Company, that 2,000,000 options be issued to him. The options will only be formally issued upon Mr. Mutz taking up appointment as the Managing Director of the Company. On exercise, each option will entitle Mr. Mutz to one fully paid ordinary share in the Company which will rank pari passu in all respects with the then existing ordinary shares in the Company. The terms of the options are as follows:

(a) 1,000,000 options at an exercise price of \$1.00 per option exercisable after 1 January 2009; and

(b) 1,000,000 options at an exercise price of \$1.20 per option exercisable after 1 January 2010,

provided that the options will become immediately exercisable where a takeover bid (as defined in the *Corporations Act 2001*) is made or effective control of the Company changes.

The options are exercisable by notice in writing to the Company, accompanied by payment of the exercise price, on or prior to 31 October 2011.

The options are not transferable and will not be listed.

The grant of options is to encourage Mr. Mutz to have a greater involvement in the achievement of the Company's objective to become a world class gold and uranium producer in the near term and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company.

The number and terms of the options proposed to be issued to Mr. Mutz pursuant to Resolution 4 are considered by the Board to be appropriate in light of Mr. Mutz's total remuneration package, the remuneration packages of directors performing similar roles within companies of similar size and the present circumstances of the Company.

The Board considers the issue of the options pursuant to Resolutions 4 to be reasonable in the circumstances given the Company's size and stage of development and the necessity to attract and retain the highest calibre of professionals to the role whilst maintaining the Company's cash reserves.

Summary of terms of Alliance Resources Employee Option Plan

Purpose

The purpose of the Alliance Resources Employee Option Plan is to encourage participation by employees in the ownership of the Company through the opportunity for share ownership and to attract, motivate and retain employees.

Invitation to participate

The Directors may invite employees to participate in the Plan and receive options to subscribe for unissued ordinary shares of the Company.

Exercise price and other terms

The exercise price and expiry date for options granted under the Plan will be the price and date fixed by the Board in its discretion prior to the issue of the invitation to participate. The options will lapse upon the earlier of their expiry, 60 days after the Employee ceases to be an employee for any reason other than his or her death or 12 months from the date on which the Employee dies.

Restrictions on exercise

The options granted under the Plan may be subject to such restrictions on exercise as may be fixed by the Directors prior to the issue of the invitation to participate.

Participation and other rights

Options granted under the Plan do not confer any right to participate in dividends or rights issues until ordinary shares are allotted pursuant to the exercise of options. There is to be no change to the exercise price of an option if the Company makes a pro rata offer to all shareholders but the number of ordinary shares issued on exercise of the options will be adjusted for bonus issues made prior to their exercise.

Reconstruction of capital

If the Company recognises its issued capital, the terms of the options will change in a manner consistent with the ASX listing rules.

Transfer

Options granted under the Plan are not transferable or assignable, except with the prior written approval of the Board.

5% cap

Options may not be issued under the Plan if the total of the shares which would be issued if any outstanding options under the Plan were exercised plus the total number of shares issued to employees in the previous five years under any employee share or option scheme (disregarding any offer or invitation made that did not require a prospectus or other disclosure document) exceeds 5% of the total number of ordinary shares of the Company on issue at that time.

Valuation of the Options

The Directors of the Company engaged DMR Corporate Pty Ltd ("DMR"), an independent Australian financial services licensee, to determine the fair value of the options proposed to be issued pursuant to Resolution 4.

DMR'S valuation methodology

DMR used a Binomial Option Valuation Model ("**Binomial Model**"), tailored specifically for use in valuing employee options.

DMR noted that pursuant to accounting standard AASB2 Share-based payment, options issued to employees (and directors) must be valued at the date they are issued and expensed over the life of the options. DMR further noted that this valuation cannot be prepared before the options are issued because one of the key variables in the model is the share price at the date of issue. Accordingly DMR used a Binomial Model and the share price as at 23 September 2008 to ascertain an approximate value of the options.

The model used by DMR determines the value of an option as a function of the following variables:

- the current share price of the underlying shares;
- exercise price of the option;
- volatility of the share price;
- vesting conditions;
- time to maturity;
- risk free rate of interest;
- expected dividend yield; and
- an exercise price multiple.

Assumptions used by DMR

Based on the volume weighted average share price for the 90-day period ended 23 September 2008, DMR considered that \$0.8123 represents the current market value of the Company's shares.

DMR:

- concluded that a share price volatility of 80% would be appropriate;
- noted that, while the options nominally vest on issue, they can only be exercised as to 50% after 31 December 2008 and the remaining 50% after 31 December 2009;
- assumed the expiry date of the options (31 October 2011) to be the maturity date;

- used a risk free rate of 5.515%, based on the current Treasury Bond yield, to value the options;
- assumed that no dividends would be paid during the currency of the options; and
- assumed the options would not be exercised until the market price of the Company's shares reached a multiple of 1.5 times the exercise price.

Valuation

Based on the above assumptions and methodology, DMR assessed the fair value of the options to be issued to Mr. Mutz as follows:

Earliest exercise date	Number of options	Value per option \$	Value per tranche \$
1 January 2009	1,000,000	0.270	270,000
1 January 2010	1,000,000	0.250	250,000
Total	2,000,000		520,000

The valuations do not necessarily represent the market values of the options or the values for taxation purposes to the option holder. The future value of the options may vary up or down and will primarily depend on the future price of the Company's ordinary shares and the time to expiry of the options.

The Directors (other than Mr. Mutz) recommend that you vote in favour of this resolution. Mr. Mutz makes no recommendation to shareholders.

4. QUERIES

If you have any queries about the meeting, the Resolutions to be put to the meeting or the proposals being considered, please contact the Company Secretary, Mr. Ian Pamensky, on (03) 9697 9090 or by email ianp@allianceresources.com.au



ALLIANCE RESOURCES LIMITED
ABN 38 063 293 336

ADDENDUM
to
NOTICE OF ANNUAL GENERAL MEETING
and
EXPLANATORY STATEMENT

1. The first paragraph under the heading voting restrictions (Item 2 on page 1 of the Notice of Meeting) is amended to read:

"In accordance with the Listing Rules the Company will disregard any votes cast on resolution 4 by Mr Mutz, any director of the Company or any associate of the aforementioned persons."

2. The following additional information is provided to shareholders in relation to Resolution 4 - Issue of Options to Mr Patrick Mutz pursuant to the Alliance Resources Employee Option Plan:

The options will be issued for nil consideration no later than 31 January 2009.

No options have been issued under the Plan to a director, an associate of a director or other person referred to in Listing Rule 10.14. Mr Mutz, upon taking up the position as Managing Director, will be the only person referred to in Listing Rule 10.14 entitled to be issued options under the Plan.

000001 000 AGS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

- Cast your proxy vote**
- Access the annual report**
- Review and update your securityholding**

Your secure access information is:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 11.00am Monday 17 November 2008**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Alliance Resources Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Alliance Resources Limited to be held at Level 19, 15 William Street, Melbourne 3000 on Wednesday 19 November 2008 at 11.00am and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2. Re-election of Mr Ian J Gandel as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3. Election of Mr Patrick Mutz as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4. Issue of Options to Mr Patrick Mutz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /

000001 000 AGS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with matters arising from your securityholding in Alliance Resources Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notice of meeting.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- >Security Reference Number (SRN)*;
- >ASX trading code;
- >Name of company in which security is held;
- >Old address; and
- >New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

* Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Alliance Resources Limited