ASX ANNOUNCEMENT

8 December 2008 ASX Code: **AGS**

FOUR MILE URANIUM PROJECT
FOUR MILE WEST
NEW DRILLING EXPANDS AREA OF HIGH-GRADE MINERALISATION

HIGHLIGHTS

- Additional significant uranium intercepts (GT>0.5m%pU_3O_8) from Four Mile West include:

2.5m @ 0.33% pU_3O_8 (AK973)
0.9m @ 1.00% pU_3O_8 (AK974)
1.1m @ 0.47% pU_3O_8 (AK976)
7.0m @ 1.27% pU_3O_8 (AKC148)
0.8m @ 0.91% pU_3O_8 (AKC148)
2.9m @ 0.37% pU_3O_8 (AKC149)
1.9m @ 0.30% pU_3O_8 (AKC150)

- The results reinforce the Four Mile Project as a high-grade mineralized system with potential for significantly increasing the uranium resource base.
- Mineralisation at FMW remains open to the north, northeast, west, and southwest.
- The mineral resource estimate for a part of the Four Mile East Deposit is in progress and anticipated to be complete in January 2009.

GT = grade x thickness (m%U_3O_8). pU_3O_8 refers to the U_3O_8 grade as estimated from PFN logging. pU_3O_8 grades reported here as exploration results, may be subject to revision during validation and verification of the grade-thickness calculations for the purpose of estimating the mineral resource.

The Four Mile Joint Venture Area is located 550 kilometres north of Adelaide in South Australia. Alliance has a 25% free carry interest in the joint venture during the exploration phase.

The Four Mile Project is co-owned (75%) by Alliance's joint venture partner and manager, Quasar Resources Pty Ltd, an affiliate of Heathgate Resources Pty Ltd, which owns and operates the Beverley Uranium Mine, located 8 kilometres southeast of the Four Mile uranium discovery.

The Four Mile Uranium Deposit consists of two mineralised zones; Four Mile West and Four Mile East. Four Mile West has an Inferred Mineral Resource of 32 million pounds U_3O_8 in accordance with the JORC Code. Estimation of the mineral resource for a portion of Four Mile East is in progress.

In September 2008 Quasar Resources notified Alliance of its "decision to mine" and provided Alliance with a feasibility study recommending uranium mining using ISR technology, with production commencing in January 2010 at a projected rate of 2.6 million pounds U_3O_8 per annum and increasing to 3 million pounds U_3O_8 per annum within three months.

DETAILS OF ANNOUNCEMENT

Four Mile West

A total of 18 holes for 3,204 metres were drilled during October 2008, including 4 diamond holes for 722 metres. Drill intercepts are shown in Table 1 (attached) while a plan of drill collars is presented in Figures 1 and 2.

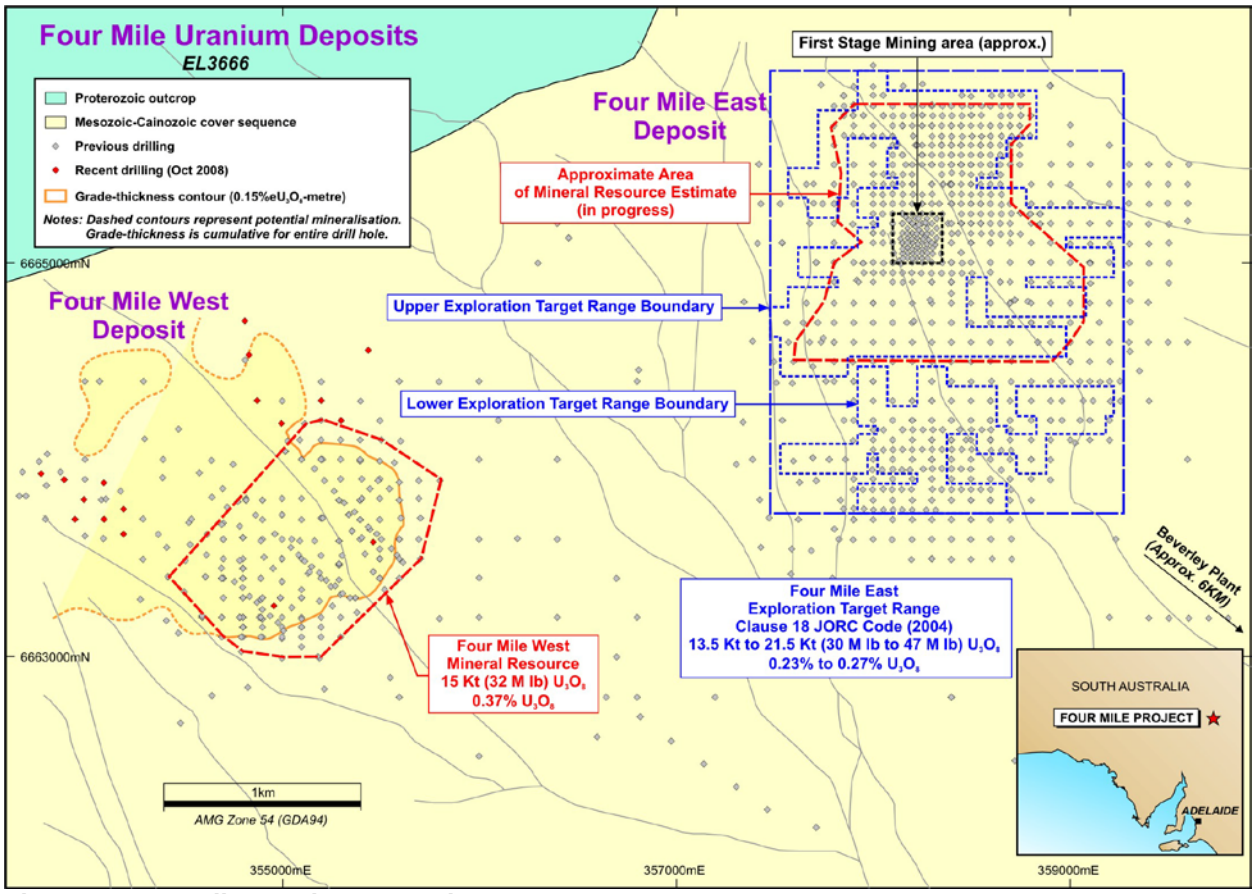

Figure 1: Four Mile Uranium Deposits

The latest drilling followed up on significant drilling results intersected at Four Mile West (FMW) from July to September 2008 and focussed on high-grade uranium mineralisation in the western and northern portions of the deposit (Figure 2), targeting extensions to areas of known high-grade mineralisation. Mineralisation remains open to the north, northeast, west and southwest and becomes shallower towards the Flinders Ranges to the northwest.

Eight holes were completed in the northwest area of the deposit targeting high-grade mineralisation. Two of these holes were diamond cored for chemical analyses. Mineralisation in this area is as shallow as 81m and is still open to the southwest. This programme indicates a near-continuous, northwest-trending corridor of high-grade mineralisation over approximately 2 kilometres. Significant intercepts (GT>0.5m%pU_3O_8) from this program include:

2.5m @ 0.33% pU_3O_8 (AK973)
0.9m @ 1.00% pU_3O_8 (AK974)
1.1m @ 0.47% pU_3O_8 (AK976)

Drilling also commenced in the northeast of the deposit where the aim is to close off/extend mineralisation. Seven (7) holes have been completed with three returning cumulative GT's >0.15m% pU_3O_8. Further drilling is required to define the extents of mineralisation, open to the north and northeast.

Four (4) diamond core holes were also completed in areas of high-grade mineralisation for the purpose of confirming calibration of the PFN tools. Two were drilled in the high-grade "nose" of the roll-front deposit, and two in the northwest section of the deposit. Significant intercepts (GT>0.5m%pU_3O_8) from this program include:

7.0m @ 1.27% pU_3O_8 (AKC148)
0.8m @ 0.91% pU_3O_8 (AKC148)
2.9m @ 0.37% pU_3O_8 (AKC149)
1.9m @ 0.30% pU_3O_8 (AKC150)

Exploration results continue to confirm the Four Mile Project as a high-grade mineralized system with potential for significantly increasing the uranium resource base.

Drilling was continuing with one rig in the western portion of FMW during November.

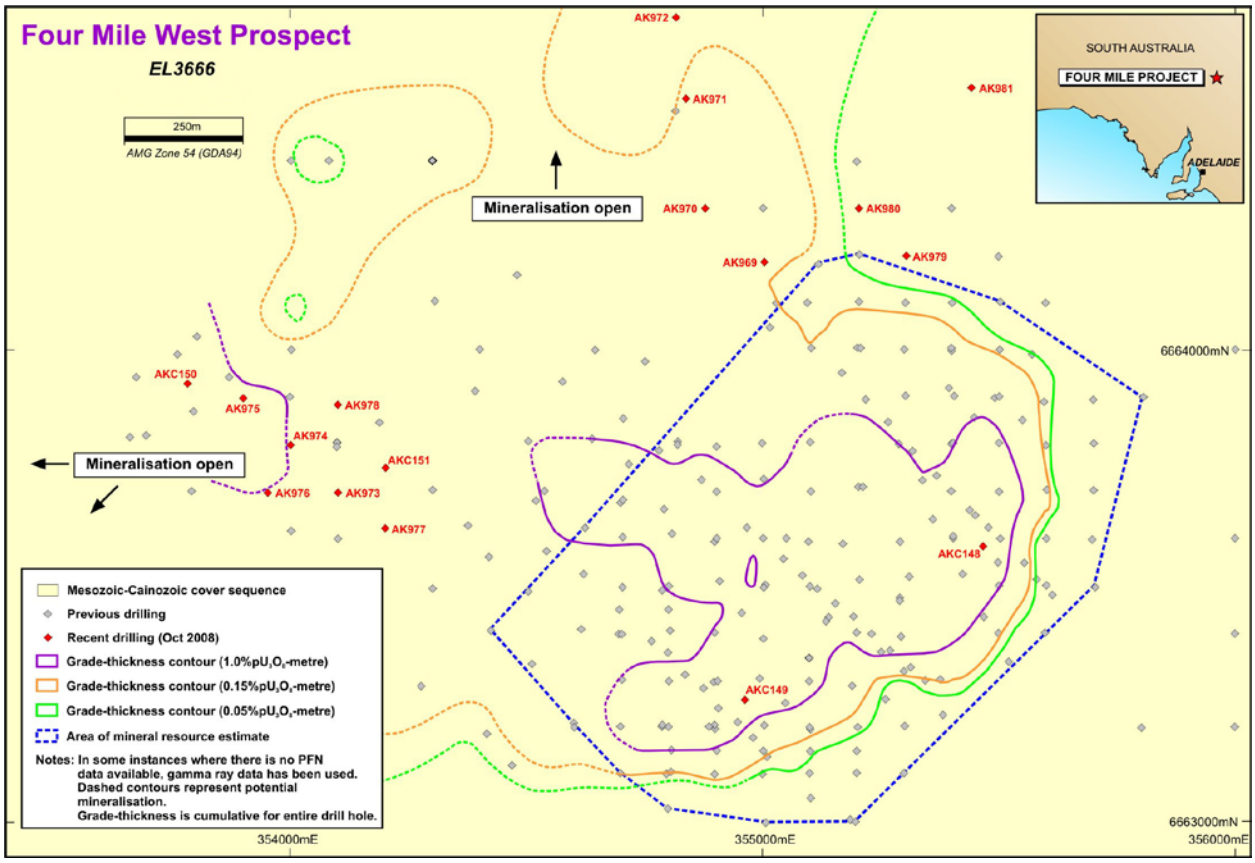

Figure 2: Four Mile West Uranium Deposit

Four Mile East (including proposed First Stage Mining Area)

In anticipation of the start of development of the Four Mile Project, Quasar is conducting variography studies for the three main mineralised horizons at Four Mile East (FME) for incorporation into the resource Block Model. Permeability studies are underway in support of detailed ISR mine planning.

The mineral resource estimate for part of the FME Deposit is now anticipated for completion in January 2009.

About Alliance Resources

Alliance Resources is an emerging uranium and gold producer. Further information relating to the Company and its various exploration and development projects can be found on the Company's website at www.allianceresources.com.au.

Patrick Mutz
Managing Director
ALLIANCE RESOURCES LIMITED

Joint Ore Reserves Committee (JORC) Compliance Statement
The information in this report that relates to uranium Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Bowden who is a Chartered Geologist and Fellow of the Geological Society of London, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. Mr Andrew Bowden is employed by GeoDec Consulting and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bowden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All other information in this report, including future proposals for development of the Four Mile Project is based on information compiled by Mr Stephen Johnston who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Johnston is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Johnston consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

Table 1: Four Mile Uranium Project Summary Drilling Data

Thickness and grade results for holes drilled in October 2008. Results below the cut-off grade of 0.05% U3O8 are not reported. GT>0.5m%pU_3O_8 are highlighted. These figures are provisional and may be subject to revision due to calibration factor confirmation and data validation. NOTE: The table does not include drill hole collar coordinates. Refer to Figures for drill hole locations.

Hole Details		Gamma					PFN					Deposit
Hole Id	T_depth	From	To	Interval	eU3O8 (%)	GT	From	To	Interval	pU3O8(%)	GT	
AK968	160.0	Grade below cutoff (gamma & PFN)										FMW
AK969	204.0	150.6	151.3	0.7	0.143	0.10	150.7	151.3	0.6	0.190	0.11	FMW
AK969	204.0	160.5	163.8	3.3	0.106	0.35	160.6	162.0	1.4	0.142	0.20	FMW
AK970	192.0	142.2	142.8	0.6	0.065	0.04	142.1	142.7	0.6	0.086	0.05	FMW
AK970	192.0	147.7	149.1	1.5	0.076	0.11	148.8	149.8	1.0	0.061	0.06	FMW
AK970	192.0						152.2	154.2	2.0	0.062	0.12	FMW
AK971	179.0	129.1	129.8	0.7	0.217	0.16	129.3	129.8	0.5	0.290	0.15	FMW
AK972	166.0	126.8	127.5	0.7	0.148	0.11	126.8	127.4	0.6	0.195	0.12	FMW
AK973	154.0	86.6	87.8	1.2	0.170	0.21	86.9	87.7	0.8	0.202	0.16	FMW
AK973	154.0	90.7	91.4	0.7	0.197	0.14	90.7	91.2	0.5	0.189	0.09	FMW
AK973	154.0	107.4	111.7	4.3	0.234	1.00	109.1	111.6	2.5	0.332	0.83	FMW
AK974	160.0	84.4	85.5	1.2	0.121	0.14	84.7	85.3	0.6	0.154	0.09	FMW
AK974	160.0	94.5	95.4	1.0	0.241	0.24	94.8	95.3	0.5	0.323	0.16	FMW
AK974	160.0	116.4	117.7	1.3	0.817	1.04	116.7	117.6	0.9	1.004	0.90	FMW
AK975	170.0	88.3	90.3	2.0	0.167	0.34	88.8	89.9	1.1	0.196	0.22	FMW
AK975	170.0	97.0	97.8	0.8	0.186	0.15	97.1	97.6	0.5	0.230	0.11	FMW
AK975	170.0	118.6	120.2	1.7	0.284	0.47	118.9	120.1	1.2	0.373	0.45	FMW
AK976	152.0	86.5	87.8	1.3	0.130	0.17	86.9	87.6	0.7	0.124	0.09	FMW
AK976	152.0	92.8	93.6	0.8	0.150	0.12	93.0	93.5	0.5	0.160	0.08	FMW
AK976	152.0	106.1	106.6	0.6	0.066	0.04						FMW
AK976	152.0	112.6	114.9	2.3	0.357	0.82	113.8	114.9	1.1	0.471	0.52	FMW
AK977	166.0	83.5	84.2	0.7	0.103	0.08	83.7	84.2	0.5	0.133	0.07	FMW
AK977	166.0	89.2	90.0	0.9	0.257	0.22	89.4	89.9	0.5	0.370	0.18	FMW
AK977	166.0	106.2	108.2	2.0	0.089	0.18	107.2	108.7	1.5	0.113	0.17	FMW
AK978	164.0	85.1	86.1	1.0	0.087	0.08	85.3	85.9	0.6	0.096	0.06	FMW
AK978	164.0	97.1	98.0	0.9	0.201	0.17	97.3	97.8	0.5	0.276	0.14	FMW
AK978	164.0	119.8	120.9	1.1	0.341	0.38	120.0	120.8	0.8	0.434	0.35	FMW
AK979	217.0	Grade below cutoff (gamma & PFN)										FMW
AK980	234.0	Grade below cutoff (gamma & PFN)										FMW
AK981	164.0	Grade below cutoff (gamma & PFN)										FMW
AKC148	204.4	157.0	166.4	9.4	1.463	13.76	157.2	164.2	7.0	1.265	8.86	FMW
AKC148	204.4						165.6	166.4	0.8	0.906	0.72	FMW
AKC149	205.5	144.3	151.9	7.6	0.300	2.29	144.5	147.4	2.9	0.372	1.08	FMW
AKC149	205.5						150.7	151.9	1.2	0.397	0.48	FMW
AKC150	147.4	87.9	92.1	4.2	0.256	1.08	88.4	90.3	1.9	0.301	0.57	FMW
AKC150	147.4	94.9	95.6	0.7	0.194	0.14						FMW
AKC150	147.4	116.1	117.9	1.8	0.189	0.35	116.5	117.7	1.2	0.262	0.31	FMW
AKC151	165.4	89.3	90.3	1.1	0.109	0.12	89.5	90.1	0.6	0.138	0.08	FMW
AKC151	165.4	97.3	98.2	0.9	0.270	0.24	97.5	98.1	0.6	0.292	0.18	FMW
AKC151	165.4	119.2	120.4	1.2	0.297	0.36	119.4	120.5	1.1	0.308	0.34	FMW