

30 June 2009

ASX Code: AGS

RIGHTS ISSUE RESULTS

Alliance Resources Limited (**ASX: AGS**) today announces the results of its non-renounceable Rights Issue ("Rights Issue") that closed on 25 June 2009.

Under the terms of the Rights Issue announced on 26 May 2009, Shareholders were offered the opportunity to subscribe for 1 new Alliance share for every 12 shares held, with up to 26,244,024 new shares to be issued at a subscription price of 60 cents per share to raise approximately A\$15.7 million (before costs). The final results of the Rights Issue are that Shareholders have taken up 13,667,444 (approximately 52%) of the shares offered under the Rights Issue, leaving a shortfall of 12,576,580 shares.

As announced on 28 May 2009, Alliance agreed to place up to A\$5 million of shares from the shortfall from the Rights Issue at an issue price of 68 cents per share ("Shortfall Placement") to institutions that participated in the Placement managed by Bell Potter Securities Limited ("Bell Potter") and Helmsec Global Capital Limited ("Helmsec") and announced on 26 May 2009. The results of the Shortfall Placement will be announced separately once completed.

Subject to the Listing Rules, the Board reserves the right to issue the balance (after adjusting for the Shortfall Placement) of the shares at its discretion at a price of not less than 68 cents per share.

The Rights Issue shares that were taken up by Shareholders, will be issued on or about 3 July 2009, with holding statements to be dispatched on the same day.

Proceeds from the capital raised will be primarily directed toward Alliance's equity share of development and operating costs at the Four Mile Uranium Joint Venture Project in South Australia, scheduled to commence production in early 2010. Alliance believes it is now fully funded to receipt of first revenue from the sale of uranium from Four Mile.

Alliance's largest shareholder, Abbotsleigh Pty Ltd has confirmed to the Company it has no intention of selling any part of its Alliance holding. Abbotsleigh remains committed to the company and its ambition to be Australia's next uranium producer.

For further information regarding this announcement contact:

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About Alliance Resources

The Four Mile Joint Venture Area is located 550 kilometres north of Adelaide in South Australia. Alliance holds a 25% participating interest in the joint venture.

Quasar Resources Pty Ltd (Quasar), an affiliate of Heathgate Resources Pty Ltd (Heathgate), which owns and operates the Beverley Uranium Mine located 8 kilometres southeast of the Four Mile Joint Venture Area, holds a 75% interest in the joint venture and is the manager of the project.

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 Mlb U₃O₈ per annum, increasing to 3 Mlb U₃O₈ per annum within three months.

During the March Quarter 2009, Alliance published estimated project costs as determined by Quasar in its feasibility study. These were estimated project development costs (100%) of A\$90 million (Alliance’s share A\$22.5 million) and forecast total cash costs, including royalties, of A\$38.80/lb U₃O₈ (US\$25/lb U₃O₈ based on 0.645 USD to 1 AUD).

On 25 June 2009, Alliance published a Resource Estimate for the Four Mile Uranium Project in South Australia. The Mineral Resource Estimate nearly doubles to 28,000 tonnes (61 Mlb) uranium oxide (U₃O₈) at an average grade of 0.35%

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