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FOUR MILE – LITIGATION UPDATE

As foreshadowed in the presentation to shareholders at Alliance Resources Limited's AGM, directions hearings in two of the three actions in South Australia were scheduled for 15 December 2009.

In the action seeking an order for pre-action discovery and access to joint venture books and records a hearing date of 22 February 2010 has been set.

In the matter concerning recording of management committee meetings some preliminary dates for discovery have been agreed by the parties and a further directions hearing has been scheduled for 18 December 2009.

An initial hearing date for the matter concerning the native title agreement has been set for 27 January 2010.

For further information regarding this announcement, contact:

Patrick Mutz
Managing Director
ALLIANCE RESOURCES LIMITED

Email: info@allianceresources.com.au

About Alliance Resources

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