

08 January 2010

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## NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

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The extraordinary general meeting will be held:

- at Level 41, 600 Bourke Street, Melbourne 3000;
- on 10 February 2010 at 11.00am.

Yours faithfully

**Ian Pamensky**  
**Company Secretary**  
**ALLIANCE RESOURCES LIMITED**

Email: [info@allianceresources.com.au](mailto: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](http://www.allianceresources.com.au).



# ALLIANCE RESOURCES LIMITED

ABN 38 063 293 336

("Alliance" or "Company")

## NOTICE OF EXTRAORDINARY 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 extraordinary general meeting will be held:**

- at HWL Ebsworth Lawyers, Level 41, 600 Bourke Street, Melbourne;
- on 10 February 2010 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 on **11.00 am Melbourne time on 8 February 2010**. Any proxy form received after that time will not be valid for the meeting.

**ALLIANCE RESOURCES LIMITED**  
**ABN 38 063 293 336**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

The extraordinary general meeting of the shareholders of **Alliance Resources Limited** will be held:

- on **Wednesday, 10 February 2010**
- at **11.00am**
- at **HWL Ebsworth Lawyers, Level 41, 600 Bourke Street, Melbourne**

**1. RESOLUTIONS**

**A. Special Resolution**

To consider and, if thought fit, pass the following resolution as a special resolution:

**Resolution 1: Renewal of proportional takeover provisions of constitution**

*“THAT in accordance with section 648G(4) of the Corporations Act 2001, the proportional takeover approval provisions contained in clause 23 of the constitution of the Company be renewed for a period of three (3) years from Wednesday, 10 February 2010.”*

**2. VOTING RESTRICTIONS**

Nil.

**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 AEDT on **8 February 2010** will be taken for the purpose of the extraordinary 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 Extraordinary 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 8 February 2010** 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 (within Australia) or +61 3 9473 2555 (outside Australia).
- (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 Extraordinary 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 Extraordinary General Meeting intends to vote all undirected proxies from shareholders (who are eligible to vote in favour of the Resolution) in favour of the Resolution to be voted on at the Extraordinary General Meeting. The chairperson will not vote any undirected proxies from shareholders ineligible to vote in favour of the Resolution.
- (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 Extraordinary General Meeting.

**DATED** 8 January 2010

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 Resolution proposed to be considered at the Extraordinary General Meeting on **Wednesday, 10 February 2010** and to assist shareholders in determining how they wish to vote on the Resolution. 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**

To consider and vote on the following special resolution:

*Resolution 1 – renewal of proportional takeover provisions of constitution*

**3. WHY THE MEETING IS BEING HELD**

**a. Resolution 1 – Renewal of proportional takeover provisions of Constitution**

Summary of the proposal

The current constitution of the Company, including clause 23 (entitled “Proportional Takeover Bids”), was adopted by the Company at the Annual General Meeting held on 23 November 2006. Clause 23.8 provides that clause 23 ceases to have effect on the third anniversary of the date of its adoption or of its most recent renewal. The present position is that clause 23 ceased to apply on 23 November 2009.

Legal and regulatory requirements

Section 648G of the *Corporations Act 2001* provides that a company may renew its proportional takeover provisions in the same manner as that in which the company could alter its constitution to insert proportional takeover provisions.

Section 648G(5) of the *Corporations Act 2001* provides that with every notice that specifies the intention to propose a resolution to renew a company’s proportional takeover provisions and is sent to a person who is entitled to vote on the resolution the company must send a statement that:

- explains the effect of the provisions proposed to be renewed; and
- explains the reasons for proposing the resolution and sets out the factual matters and principles underlying those reasons;
- states whether, as at the date on which the statement is prepared, any of the directors of the company is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the company and, if so, explains the extent (if any) to which the proposal has influenced the decision to propose the resolution; and
- for a proposed resolution to renew proportional takeover provisions – reviews both the advantages, and disadvantages, of the provisions proposed to be renewed for the directors and the company’s members during the period during which the provisions have been in effect; and
- discusses both the potential advantages, and the potential disadvantages, of the provisions proposed to be renewed for the directors and the company’s members.

Effect of proportional takeover provisions

Clause 23 of the constitution requires that, if a proportional takeover bid is made, the directors must convene a meeting of shareholders to vote on a resolution to approve the bid. The meeting must be held, and the resolution voted on, before the approving resolution deadline which is defined in the *Corporations Act 2001* as the 14th day before the last day of the bid period. **The clause does not apply to full takeover offers.**

Clause 23 provides that, for a resolution to be approved, it must be passed by a majority of votes at the meeting, excluding votes by the bidder and its associates. If no resolution to approve the bid has been voted on in accordance

with clause 23 as at the end of the 14th day before the end of the bid period, a resolution approving the bid will be deemed by the *Corporations Act 2001* to have been passed, thereby allowing the bid to proceed.

If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to be withdrawn.

If the resolution is approved, the relevant transfers of shares will be registered, provided they comply with the other provisions of the constitution and otherwise with the *Corporations Act 2001*.

#### Reasons for proposing renewal of clause 23

The Directors consider that shareholders should have the opportunity to vote on a proposed proportional takeover bid. A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority interest and without shareholders having the opportunity to dispose of all of their shares. This may mean that shareholders could be at risk of being left as part of a minority interest in the Company. Clause 23, if renewed, would enable shareholders to decide whether a proportional takeover bid should be permitted to proceed.

#### Present acquisition proposals

At the date of this Explanatory Statement, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### Review of advantages and disadvantages of clause 23 while previously in effect

The Directors consider that there have been no advantages or disadvantages for them since clause 23 has been in force as they remained free to make a recommendation on whether a proportional takeover bid should be accepted. No proportional takeover bid having been made during this period, the Directors do not consider that there have been any advantages of clause 23 for the members of the Company during the period. Whilst the Directors consider it unlikely, and have no reason to believe that such is the case, they cannot guarantee that the existence of clause 23 has not prevented a potential bidder from making a proportional takeover bid which might have been advantageous to members.

#### Potential advantages and disadvantages of renewal of clause 23

The Directors consider that there are no such advantages or disadvantages for them as they remain free to make a recommendation on whether a proportional takeover bid should be accepted. The renewal of the clause will ensure that all members continue to have an opportunity to study a proportional takeover bid, if made, and then attend or be represented by proxy at a meeting called specifically to vote on the proposal.

A majority of shares voted at the meeting, excluding the shares of the bidder and its associates, will be required for the resolution to be passed, following which shareholders will be able to decide whether to accept the bid which may result in a change of control of the Company. This will enable shareholders to prevent a proportional takeover bid proceeding if they believe that control of the Company should not be permitted to pass under the bid and, accordingly, the terms of any future proportional takeover bid are likely to be structured in a manner that is attractive to a majority of shareholders.

It may be argued that the renewal of the clause reduces the possibility of a successful proportional takeover bid and that, as a result, proportional takeover bids for the Company will be discouraged. This, in turn, may reduce opportunities that shareholders may have to sell some of their shares at an attractive price to persons seeking control of the Company and may reduce any 'takeover speculation' element in the Company's share price. It may also be said that the provisions constitute an additional restriction on the ability of individual shareholders to deal freely with their shares.

#### Recommendation

The Directors consider that the renewal of clause 23 of the constitution is in the interests of shareholders as it allows the majority of shareholders to determine whether a proportional takeover bid should proceed.

*The Directors recommend that you vote in favour of Resolution 1.*

## **4. QUERIES**

If you have any queries about the meeting, the Resolution to be put to the meeting or the proposals being considered, please contact:

Company Secretary  
Mr Ian Pamensky  
(03) 9697 9090  
ianp@allianceresources.com.au

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

## Lodge your vote:



### 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 Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

 **For your vote to be effective it must be received by 11:00am Monday, 8 February 2010**

### How to Vote on the Item 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

**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.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**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.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

#### Your secure access information is:

SRN/HIN: I999999999



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

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 Extraordinary General Meeting of Alliance Resources Limited to be held at HWL Ebsworth Lawyers, Level 41, 600 Bourke Street, Melbourne on Wednesday, 10 February 2010 at 11:00am and at any adjournment of that meeting.

### STEP 2 Item 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.

1 Renewal of proportional takeover provisions of constitution

	For	Against	Abstain
	<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 \_\_\_\_/\_\_\_\_/\_\_\_\_

AGS

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