

25 October 2010

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NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

The annual general meeting will be held:

- at, Level 26, 530 Collins Street, Melbourne;
- on 25 November 2010 at 11.00am (AEDT).

Yours faithfully

Ian Pamensky
Company Secretary
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.



ALLIANCE RESOURCES LIMITED

ABN 38 063 293 336

("Alliance" or "Company")

NOTICE OF ANNUAL GENERAL MEETING

**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 HWL Ebsworth Lawyers, Level 26, 530 Collins Street, Melbourne
- on Thursday, 25 November 2010 commencing at 11.00am (AEDT).

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 (AEDT) on 23 November 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 ANNUAL GENERAL MEETING

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

- on **Thursday, 25 November 2010**
- at **11.00am (AEDT)**
- at **HWL Ebsworth Lawyers, Level 26, 530 Collins Street, Melbourne**

1. RESOLUTIONS

A. Financial statements and reports

To table the following statements and reports and provide shareholders 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 2010;
- (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 ordinary resolutions:

Resolution 1: Adoption of Remuneration Report

"THAT the Remuneration Report for the year ended 30 June 2010 be adopted by the Company."

Resolution 2: Re-election of Director

"THAT Mr John Dunlop, 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: Employee Share Scheme

"THAT for the purposes of the ASX Listing Rule 7.2 (Exception 9) and for all other purposes, the Company's Employee Share Option Plan, as approved by shareholders on 23 November 2006 and incorporating the amendments set out in Section 3(d) of the Explanatory Statement (a copy of which has been signed by the Company Secretary for the purposes of identification and tabled at this meeting) be approved and the grant of options from time to time under the Employee Share Option Plan as an exception to the ASX Listing Rule 7.1 be approved."

2. VOTING RESTRICTIONS

The Company will disregard any votes cast on Resolution 3 by the Directors of the Company or persons who may participate in the proposed issue of options referred to in Resolution 3 or who may benefit if Resolution 3 is passed (other than a benefit solely in its capacity as a holder of ordinary securities) and any associates of those persons.

However, the Company need not disregard a vote in respect of Resolution 3 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 AEDT on 23 November 2010 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

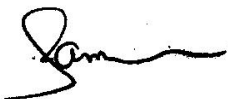
- (a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 11.00 am (AEDT) on Tuesday, **23 November 2010** by:
- Lodging Online at: www.investorvote.com.au
 - Post in the reply paid 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).
 - Custodian voting - For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.
- (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 2001* (Cth).
- (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.

By order of the Board.



Ian Pamensky
Company Secretary

6 September 2010

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 **25 November 2010** 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 2010 and to give the shareholders 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 John Dunlop as a Director; and

Resolution 3 - to refresh approval of the Employee Share Option Plan (ESOP) and to approve certain amendments to the ESOP.

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 2010.

Copies of the Annual Report for the period ended 30 June 2010 are being despatched to shareholders with this Notice of Meeting on or about 25 October 2010.

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 shareholders 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 2010).

b. Resolution 1 – Adoption of Remuneration Report for year ended 30 June 2010

The Directors' report in the Annual Report for the year ended 30 June 2010 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 2001* (Cth) 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 1, the Chairman of the meeting will allow a reasonable opportunity for the shareholders 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* 2001 (Cth), the vote on this Resolution 1 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 John Dunlop 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 Dunlop has been a Director of the Company since 30 November 1994. He is a non-executive Director and has been Chairman of the Board since 9 September 1998. Details of his experience and qualifications are set out on page 6 of the Annual Report.

Mr Dunlop 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 Dunlop) recommend that you vote in favour of this Resolution. Mr Dunlop makes no recommendation to shareholders.

d. Resolution 3 - Employee Share Scheme Plan

Resolution 3 seeks shareholders to re-approve the Employee Share Option Plan (**ESOP**) approved by shareholders on 23 November 2006 and also to approve certain amendments to the ESOP as set out in section 3d(iii) of this Explanatory Statement.

The Directors have reviewed the terms of the ESOP and have determined it appropriate to make the amendments to the ESOP referred to in section 3(d)(iii) of this Explanatory Statement. In addition to asking shareholders to refresh the approval of the ESOP for the purposes of the Listing Rules of ASX, the Directors are also seeking approval of these amendments.

(i) ASX Listing Rule 7.1 and 7.2 (Exception 9)

ASX Listing Rule 7.1 limits the number of equity securities which a listed Company may issue in any twelve month period without shareholder approval (subject to certain exceptions, for example a pro rata issue to all shareholders). The limit is, generally speaking, no more than 15% of the total number of equity securities on issue at the beginning of the twelve month period, plus the number of equity securities issued with the approval of shareholders or under one of the exceptions during the previous twelve months.

One of the exceptions to Listing Rule 7.1 is Listing Rule 7.2 (Exception 9), which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the three years before the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

Accordingly, ASX requires the ESOP to be renewed every three years for the purposes of ASX Listing Rule 7.2 (Exception 9). The Rules of the ESOP were last submitted to shareholders for approval on 23 November 2006 and, by Resolution 3, are being presented to shareholders to have that approval refreshed. During the period between 23 November 2009 (being the date which is 3 years after the ESOP was last approved by shareholders) and 25 November 2010 (being the date of the Meeting) no Options have been or will be granted under the ESOP.

Following approval at the Meeting scheduled for 25 November 2010, the Company will then be required to seek further renewal of the ESOP on or before 25 November 2013 otherwise the ESOP will be deemed to have lapsed and no further Options could be granted until further shareholder approval had been obtained.

(ii) Summary of the terms of the ESOP

The following is a summary of the terms of the ESOP:

- a.** Under the ESOP the Director may offer (**Offer**) to grant Options (**Employee Options**) to any Director or Senior Manager who is a full-time or part-time employee or officer of the Company and its controller entitles (**Group**) and includes a non-executive director of any member of the Group and any other person determines by the Director to be an eligible for the purpose of the ESOP (**Eligible Person**).
- b.** Following receipt of the Offer, an Eligible Person or an associate of an Eligible Person may apply for Employee Options up to the number specified in the Offer within 10 business days of the Offer. No consideration is payable by an Eligible Person to the Company in respect of the grant of any Employee Options.

- c. The exercise price payable on the exercise of any Employee Option (**Exercise Price**) shall be determined by the Board in its absolute discretion at the time of offering the Employee Options.
- d. The exercise period of each Employee Option (**Exercise Period**) shall be determined by the Board in its absolute discretion. However, unless specified otherwise, Employee Options will only be able to be exercised on or after the commencement of the Exercise Period, and will lapse on the earlier of:
 - (i) the date stated by the Board as the expiry date or fixed by a method of calculation prescribed in the Offer by the Board;
 - (ii) 60 days after the date the participant ceases to be an Eligible Person for any reason other than death;
 - (iii) the expiration of the bid period where a takeover bid (as defined in the *Corporations Act 2001 (Cth)*) for the Company;
 - (iv) 12 months after a participant ceases to be on Eligible Person by reason of death; and
 - (v) the liquidation of the Company.
- e. The Employee Options will vest and become exercisable by a participant upon satisfaction of the vesting conditions set out in the Offer. The Board has absolute discretion to determine the procedures for administration of the ESOP constant with the ESOP Rules including any vesting conditions.
- f. The Directors shall not offer or issue Employee Options under the ESOP if the total number of shares the subject of Employee Options, when aggregated with:
 - (i) the number of shares in the same class which would be issued where each outstanding Offer or innovation or option to acquire unissued shares in the Company, being an offer or invitation made or Employee Option acquired pursuant to the ESOP or any other employee or executive share plan extended only to Eligible Persons, to be accepted or exercised (as the case may be); and
 - (ii) the number of shares in the same class issued during the previous five years pursuant to the ESOP or any other employee or executive share plan extended only to Eligible Persons,but disregarding any offer for the issue of shares or Employee Options made to persons situated at the time of receipt of the Offer outside of Australia, an offer made under a disclosure document or an offer that did not need disclosure because of the section 708 of the *Corporations Act 2001 (Cth)*, would exceed five per cent of the total number of issued Shares in the Company as the time of the proposed offer or issue.
- g. All shares issued upon the exercise of Employee Options will, upon allotment, rank *pari passu* with all existing shares in the capital of the Company. If the shares are quoted the Company will apply for quotation by ASX of all shares allotted pursuant to the exercise of Employee Options.
- h. An Employee Option may only be transferred by its holder if prior written approval is obtained from the Board.
- i. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued share capital of the Company, then the number of Employee Options to which each holder of Employee Options is entitled or the exercise price of the Employee Options, or both, will be reconstructed in the manner required by the ASX Listing Rules.
- j. The holder of an Employee Option will only be permitted to participate in a pro rata issue to the holders of shares on the prior exercise of the Employee Option.
- k. If the Company makes a bonus issue, the number of shares over which an Employee Option is exercisable will not be increased by the number of shares which the holder of the Employee Option would have received if the Employee Option had been exercised before the record date for the bonus issue.
- l. The ESOP may from time to time be amended, suspended or terminated at any time by the Board subject to any resolution of the Company required by the ASX Listing Rules.
- m. The rules of the ESOP shall be construed in accordance with the laws of Victoria and each holder of an Employee Option submits to the exclusive jurisdiction of the Courts of that State.

A full copy of the Rules of the ESOP is available for no charge by contacting the Company Secretary and will be available on the Company's website www.allianceresources.com.au.

(iii) Amendments to the ESOP

The following amendments to the ESOP are sought to be approved by shareholders pursuant to Resolution 3.

For the purpose of ensuring consistency with the *Corporations Act 2001 (Cth)* and permitted exemptions allowed under the relevant ASIC Class Order (which the Directors consider to be the correct and appropriate manner of interpreting and calculating the 5% limit) and to ensure consistency with the Australian Taxation Office's recommendations with respect to deferred taxation of employee share scheme interests, published on 22 June 2010 and titled '*ESS – guide for employers*', it is proposed, for the avoidance of doubt:

a. To amend Rule 4(a) of the ESOP by including the following amended Rule 4(a)(v):

- “(a) An Offer of Options must not be made if the aggregate of the following:
- (i) the number of Options which are the subject of the Offer;
 - (ii) the total number of Options which are the subject of any outstanding Offer;
 - (iii) the total number of Shares which would be issued under all outstanding Options which have been granted but not exercised, terminated or expired; and
 - (iv) the number of Shares issued during the previous five years pursuant to this Plan or any employee share plan of the Company; but
 - (v) *disregarding any Offer for the issue of Shares or Options made to persons situated at the time of receipt of the Offer outside Australia, an offer made under a disclosure document or an offer that did not need disclosure because of section 708 of the Corporations Act 2001 (Cth) or any class order issued by ASIC,*
- would exceed 5% of the total number of Shares on issue at the time the Offer is made.”

b. To amend Rule 10(a) of the ESOP by including the following new Rule 10(a)(iv):

- “(a) The Options are not freely transferable and if:
- (i) the Participant ceases to be an Employee for any reason whatsoever except by reason of death, the Options which the holder is entitled to exercise at that time are exercisable within 60 days and any Options not exercised during that period shall lapse;
 - (ii) the Participant ceases to be an Employee by reason of death, the Options which the holder is entitled to exercise at the that time are exercisable within 12 months by the legal personal representative of the holder and any Options not exercised during that period shall lapse;
 - (iii) a takeover bid (within the meaning of the Corporations Act) is made for the Company and the bidder becomes entitled to become the registered holder of at least 90% of the ordinary shares on issue during the bid period, the Options which the holder is entitled to exercise at that time (ignoring for this purpose any then current Vesting Conditions) are exercisable by the end of the bid period and any Options not exercisable by that date shall lapse; and
 - (iv) *the Participant ceases to be an Employee for any reason whatsoever prior to the satisfaction of the Vesting Conditions, including but not limited to a minimum employment period as specified in the Offer, all Options held by the Participant shall immediately lapse and be forfeited.*”

c. To amend Rule 13(a) of ESOP by including a reference to Rule 10(a)(iv):

- “(a) Unless exercised, the Options of a Participant (whether vested or unvested) will lapse at 5.00pm (Australian EST time) on the date which is the earlier of:
- (i) the Expiry Date;
 - (ii) *subject to Rules 10(a)(i), (ii) and (iv), the date the Participant ceases to be an Employee; and*
 - (iii) the expiration of the bid period as provided in Rule 10(a)(iii).”

The Board recommends that shareholders vote in favour of Resolution 3.

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:

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:

 **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 Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

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: 1999999999

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 (AEDT) Tuesday, 23 November 2010**

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. Delete titles as applicable.

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 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.

**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 **HWL Ebsworth Lawyers, Level 26, 530 Collins Street, Melbourne** on **Thursday, 25 November 2010 at 11.00am (AEDT)** and at any adjournment of that meeting.

Important for Item 3: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 3 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

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
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr John Dunlop	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Employee Share Scheme	<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 ____/____/____