

**ASX**

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

23 May 2012

Alliance Resources Limited**TRADING HALT**

The securities of Alliance Resources Limited (the "Company") will be placed in Trading Halt Session State at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in Trading Halt Session State until the earlier of the commencement of normal trading on Friday 25 May 2012 or when the announcement is released to the market.

Security Code: AGS

Jill Hewitt

Senior Adviser, Listings (Perth)



23 May 2012

ASX Limited
Exchange Plaza
2 The Esplanade
PERTH, WA, 6000

Via e-mail and facsimile

Attn: Company Advisors - Dave Filov
Trading Halts Perth - tradinghaltspert@asx.com.au

REQUEST FOR TRADING HALT

Alliance Resources Limited (AGS) requests that its shares are placed in a Trading Halt with immediate effect under Listing Rule 17.1.

The reason for the trading halt is to allow the Company time to prepare an announcement in relation to a strategic alliance.

Alliance seeks a Trading Halt to last until commencement of trade on Friday, 25 May 2012. Alliance will make a further announcement prior to the open of trading on Friday, 25 May 2012 updating the status in this regard.

The Directors are not aware of any reason for the Trading Halt not to be granted.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ian Pamensky".

Ian Pamensky
Company Secretary

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.