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FOUR MILE PROJECT – LEGAL STATUS APPEAL WITHDRAWN

On 5 June 2012, Alliance Craton Explorer Pty Ltd (**ACE**) withdrew its appeal in the Federal Court of Australia against the judgment granting limited discovery in the misleading conduct matter.

The order the subject of the appeal was made on 26 March and the reasons delivered on 4 April 2012. ACE considered that the reasons supported orders wider than those made on 26 March and applied for the recall and variation of those orders. As that application could not be heard before the time for lodging an appeal lapsed, the appeal was lodged.

Although the application was not successful, the reasons left open the option of making further applications for discovery or to administer specific interrogatories should it become apparent that there was further relevant material not discovered. Accordingly, it was considered that pursuing the appeal was unwarranted.

Quasar Resources Pty Ltd and Heathgate Resources Pty Ltd are currently giving further discovery pursuant to the orders made on 26 March 2012.

Further detail of the litigation may be obtained from Alliance Resources Limited's website which is updated regularly

For and on behalf of the Board.

Steve Johnston
Managing Director