



3 December 2014

Dear Shareholder

**Alliance Resources Limited Non-Renounceable Entitlement Offer**

On 2 December 2014, Alliance Resources Limited ("**Alliance**" or "**Company**") announced that the Company will be conducting a non-renounceable entitlement offer to shareholders of approximately 62,031,329 new shares on the basis of 2 new shares for every 11 shares held at the record date at \$0.08 each to raise approximately \$4.96 million (before costs) ("**Entitlement Offer**"). Each Shareholder will also be entitled to receive one (1) attaching New Option for every new Share subscribed for, each exercisable into one Share at an exercise price of 15 cents per Share and expiring on 30 September 2015, for no additional cash consideration. The Entitlement Offer is not underwritten.

Alliance has determined, pursuant to the *Corporations Act 2001* (Cth) and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers under the Entitlement Offer to Shareholders with a registered address outside of Australia and New Zealand.

In compliance with ASX Listing Rule 7.7.1(a) and the *Corporations Act 2001* (Cth), Alliance wishes to advise that it will not be extending the Entitlement Offer to Shareholders with registered addresses outside of Australia and New Zealand as at the record date, being 7.00pm (AEDT) on 8 December 2014.

As your Alliance shareholding is currently registered to an address outside of Australia and New Zealand, you will not be able to participate in the Entitlement Offer.

For further information relating to the Entitlement Offer, please contact the Company Secretary on (03) 9697 9090.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Bob Tolliday".

Bob Tolliday  
Company Secretary