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By E-Lodgement

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31 January 2008

Dear Sir

FURTHER HIGH GRADE URANIUM INTERCEPTS FROM FOUR MILE EAST DRILLING

DETAILS OF ANNOUNCEMENT

- Further High Grade Uranium Intercepts from Four Mile East Drilling (5 pages)
- Media Release – Alliance Boosted by Further High Grade Uranium Results at Four Mile East (2 pages)

For information about Alliance Resources please contact:

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Or consult Alliance's website: www.allianceresources.com.au

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FURTHER HIGH-GRADE URANIUM INTERCEPTS FROM FOUR MILE EAST DRILLING

- **Significant uranium intercepts (GT>1m%U₃O₈) at Four Mile East, include:**

2.1 m @ 1.84% pU₃O₈ (AK586)
2.2 m @ 0.46% pU₃O₈ (AK586)
3.9 m @ 0.57% pU₃O₈ (AK594)
2.3 m @ 0.60% pU₃O₈ (AK598)
3.7 m @ 1.12% pU₃O₈ (AK600)
3.2 m @ 0.37% pU₃O₈ (AK601)
2.8 m @ 0.57% pU₃O₈ (AK603)
2.5 m @ 1.00% pU₃O₈ (AK604)
1.3 m @ 1.14% pU₃O₈ (AK605)
1.4 m @ 2.09% pU₃O₈ (AK609)
4.2 m @ 0.41% pU₃O₈ (AK614)
7.6 m @ 0.26% pU₃O₈ (AKC029)

(GT = grade x thickness (m%U₃O₈. pU₃O₈ refers to the U₃O₈ grade as estimated from PFN logging and may be subject to revision by application of calibration correction factors).

- **This announcement follows yesterday's announcement by Alliance of an Exploration Target Range at Four Mile East of 13,500 to 21,500 contained tonnes (30-47Mlb) of U₃O₈.**
 - **Drilling continuing at Four Mile East deposit ahead of initial mineral resource estimate commencing 2Q 2008.**
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DETAILS OF ANNOUNCEMENT

Alliance Resources Limited ("Alliance") is pleased to announce an exploration update and preliminary drilling results for December 2007, provided by joint venture partner and operator Quasar Resources Pty Ltd ("Quasar") at the Four Mile Uranium Project in South Australia.

A total of 37 holes for 8,113 metres were drilled within EL 3666 during the month. Diamond core drilling continued in the northern area of Four Mile East (FME), with five (5) holes completed in an area being investigated for a potential Field Leach Trial. Drill collars and results are shown in Table 1.

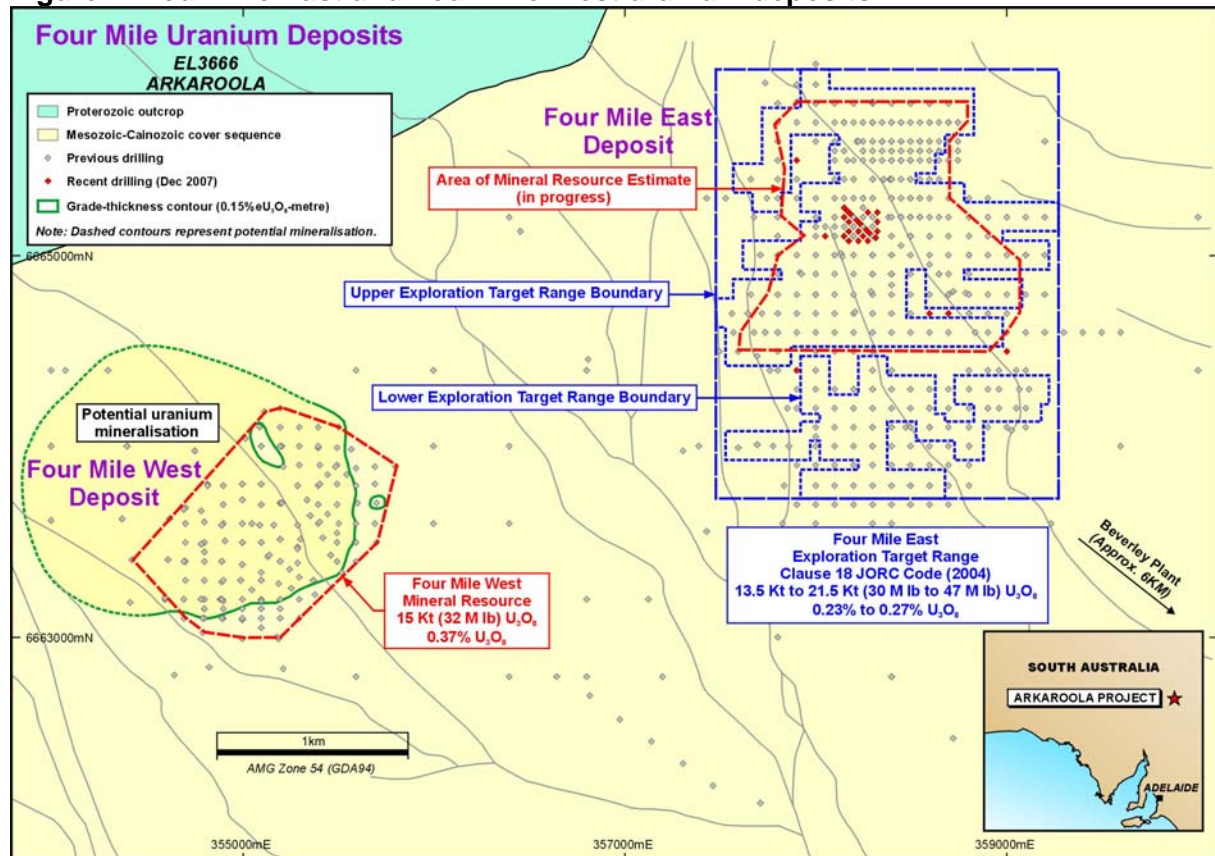
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Four Mile East

Rotary Mud Drilling

Drilling at FME focussed on defining a suitable area for conducting the Field Leach Trial. An area of approximately 200 metres x 200 metres has been selected in the northern region of FME for detailed assessment that includes close spaced rotary mud and core drilling.

Figure 1: Four Mile East and Four Mile West uranium deposits



Diamond Core Drilling

Five (5) diamond core holes were completed in the detailed assessment area. Geological logging and sampling is scheduled for completion in January.

Diamond core samples from AKC012, AKC013, AKC018 and AKC029 have been submitted for geochemical analyses and metallurgical test work.

Diamond core drilling is scheduled to recommence in January.

Monitor Wells/Water Bores

Work continues on the water-monitoring program at Four Mile.

Four Mile West

No drilling was carried out at Four Mile West Prospect.

About Alliance Resources

Alliance Resources Limited is an emerging uranium and gold producer. Alliance has a 25% free carried interest in the Arkaroola Project in South Australia, where its 75% joint venture partner, Quasar Resources Pty Ltd, is exploring for uranium and copper-gold. Quasar is an affiliate of Heathgate Resources Pty Ltd, which owns and operates the Beverley Uranium Mine, located immediately east of the Arkaroola Project. Alliance is also developing the Maldon Gold Project in Victoria and exploring for copper-gold at the Warrina Project in South Australia.

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ASX ANNOUNCEMENT

Table 1: Four Mile East Uranium Deposit Summary Drilling Data

Notes: These figures are provisional and may be subject to revision by calibration correction factors. Cut-off grade: 0.05 %U3O8. Minimum width: 0.5m. Maximum internal dilution: 1.0m.
GT= grade x thickness. GT>1m%pU₃O₈ highlighted.

| Hole Details | | Gamma | | | | | PFN | | | | |
|--------------|---------|-------|-------|----------|----------|----------|-----------------------|-------|----------|----------|--------|
| Hole ID | T_Depth | From | To | Interval | eU3O8(%) | GT-eU3O8 | From | To | Interval | pU3O8(%) | GT-PFN |
| AK582 | 214.0 | 185.7 | 186.3 | 0.6 | 0.075 | 0.05 | No PFN Data Collected | | | | |
| AK584 | 226.0 | 206.1 | 207.2 | 1.1 | 0.621 | 0.68 | No PFN Data Collected | | | | |
| AK585 | 198.0 | 179.3 | 181.6 | 2.3 | 0.248 | 0.58 | 179.5 | 180.0 | 0.5 | 0.562 | 0.28 |
| AK585 | 198.0 | | | | | | 181.0 | 181.6 | 0.6 | 0.343 | 0.21 |
| AK586 | 222.0 | 199.8 | 201.0 | 1.3 | 0.134 | 0.17 | 199.3 | 200.6 | 1.3 | 0.183 | 0.24 |
| AK586 | 222.0 | 206.9 | 209.1 | 2.2 | 1.436 | 3.16 | 206.4 | 208.5 | 2.1 | 1.841 | 3.87 |
| AK586 | 222.0 | 214.8 | 216.8 | 2.1 | 0.323 | 0.66 | 214.2 | 216.4 | 2.2 | 0.455 | 1.00 |
| AK586 | 222.0 | | | | | | 219.7 | 221.2 | 1.5 | 0.087 | 0.13 |
| AK593 | 228.0 | 191.5 | 192.4 | 0.8 | 0.341 | 0.29 | 191.8 | 192.4 | 0.6 | 0.508 | 0.31 |
| AK593 | 228.0 | 201.3 | 202.4 | 1.0 | 0.145 | 0.15 | 201.5 | 202.5 | 1.0 | 0.166 | 0.17 |
| AK594 | 228.0 | 192.9 | 193.6 | 0.6 | 0.140 | 0.09 | 193.1 | 193.6 | 0.5 | 0.194 | 0.10 |
| AK594 | 228.0 | 201.7 | 205.6 | 3.9 | 0.336 | 1.31 | 201.9 | 205.8 | 3.9 | 0.566 | 2.21 |
| AK597 | 222.0 | 197.2 | 198.2 | 1.1 | 0.316 | 0.33 | 197.6 | 198.3 | 0.1 | 0.420 | 0.29 |
| AK597 | 222.0 | | | | | | 206.8 | 207.4 | 0.6 | 0.076 | 0.05 |
| AK598 | 216.0 | 203.6 | 206.0 | 2.4 | 0.429 | 1.03 | 203.5 | 205.8 | 2.3 | 0.601 | 1.38 |
| AK599 | 228.0 | 196.0 | 199.0 | 3.0 | 0.107 | 0.32 | 196.1 | 196.7 | 0.6 | 0.223 | 0.13 |
| AK599 | 228.0 | 204.9 | 212.1 | 7.2 | 0.175 | 1.25 | 208.8 | 212.3 | 3.5 | 0.265 | 0.93 |
| AK600 | 219.0 | 194.7 | 197.1 | 2.4 | 0.151 | 0.36 | 194.2 | 196.4 | 2.2 | 0.175 | 0.38 |
| AK600 | 219.0 | 198.5 | 202.3 | 3.9 | 0.606 | 2.33 | 198.6 | 202.3 | 3.7 | 1.115 | 4.13 |
| AK600 | 219.0 | 203.6 | 208.0 | 4.4 | 0.206 | 0.91 | 203.9 | 207.1 | 3.2 | 0.218 | 0.70 |
| AK600 | 219.0 | 210.0 | 211.0 | 1.0 | 0.067 | 0.06 | 210.2 | 210.9 | 0.7 | 0.073 | 0.05 |
| AK600 | 219.0 | 212.8 | 213.8 | 1.0 | 0.171 | 0.17 | 213.0 | 213.9 | 0.9 | 0.204 | 0.18 |
| AK601 | 223.0 | 190.0 | 190.7 | 0.7 | 0.216 | 0.16 | 190.3 | 190.9 | 0.6 | 0.329 | 0.20 |
| AK601 | 223.0 | 194.4 | 195.6 | 1.2 | 0.271 | 0.34 | 194.6 | 195.6 | 1.0 | 0.330 | 0.33 |
| AK601 | 223.0 | 197.6 | 199.2 | 1.5 | 0.067 | 0.10 | 198.7 | 199.2 | 0.5 | 0.075 | 0.04 |
| AK601 | 223.0 | 200.3 | 204.9 | 4.6 | 0.283 | 1.31 | 201.5 | 204.7 | 3.2 | 0.374 | 1.20 |
| AK601 | 223.0 | 206.0 | 207.1 | 1.0 | 0.056 | 0.06 | 209.2 | 211.6 | 2.4 | 0.273 | 0.66 |
| AK601 | 223.0 | 208.9 | 210.9 | 1.9 | 0.197 | 0.38 | | | | | |
| AK602 | 222.0 | 196.4 | 198.6 | 2.2 | 0.074 | 0.16 | | | | | |
| AK602 | 222.0 | 206.7 | 208.7 | 2.0 | 0.100 | 0.20 | 206.8 | 208.2 | 1.4 | 0.079 | 0.11 |
| AK603 | 219.0 | 164.3 | 164.9 | 0.7 | 0.082 | 0.05 | 164.4 | 165.2 | 0.8 | 0.098 | 0.08 |
| AK603 | 219.0 | 200.2 | 203.2 | 3.1 | 0.259 | 0.79 | 200.6 | 203.4 | 2.8 | 0.568 | 1.59 |
| AK604 | 218.0 | 198.3 | 203.9 | 5.7 | 0.449 | 2.54 | 200.2 | 202.7 | 2.5 | 1.000 | 2.50 |
| AK605 | 228.0 | 195.5 | 196.0 | 0.5 | 0.060 | 0.03 | 195.1 | 196.0 | 0.9 | 0.099 | 0.09 |
| AK605 | 228.0 | 208.0 | 209.5 | 1.5 | 0.476 | 0.71 | 208.2 | 209.5 | 1.3 | 1.137 | 1.48 |
| AK606 | 221.0 | 198.3 | 199.7 | 1.4 | 0.200 | 0.29 | 198.6 | 199.5 | 0.9 | 0.308 | 0.28 |
| AK606 | 221.0 | 202.2 | 209.4 | 7.1 | 0.116 | 0.82 | 205.9 | 209.2 | 3.3 | 0.091 | 0.30 |
| AK607 | 220.0 | 201.4 | 202.1 | 0.7 | 0.077 | 0.05 | 201.6 | 202.3 | 0.7 | 0.100 | 0.07 |
| AK608 | 223.0 | 205.4 | 208.7 | 3.3 | 0.151 | 0.50 | 205.8 | 207.7 | 1.9 | 0.239 | 0.46 |
| AK609 | 228.0 | 204.6 | 206.1 | 1.5 | 0.911 | 1.32 | 196.4 | 197.6 | 1.2 | 0.065 | 0.08 |
| AK609 | 228.0 | 207.9 | 209.1 | 1.2 | 0.054 | 0.07 | 204.8 | 206.2 | 1.4 | 2.093 | 2.93 |
| AK610 | 224.0 | 190.8 | 193.4 | 2.6 | 0.081 | 0.21 | 190.8 | 193.4 | 2.6 | 0.220 | 0.57 |
| AK610 | 224.0 | 194.4 | 195.4 | 0.9 | 0.130 | 0.12 | 194.5 | 195.7 | 1.2 | 0.332 | 0.40 |
| AK611 | 223.0 | 204.7 | 206.1 | 1.4 | 0.235 | 0.32 | 170.9 | 171.4 | 0.5 | 0.130 | 0.07 |
| AK611 | 223.0 | | | | | | 204.9 | 206.2 | 1.3 | 0.322 | 0.42 |
| AK614 | 222.0 | 201.7 | 207.0 | 5.3 | 0.288 | 1.53 | 201.8 | 206.0 | 4.2 | 0.408 | 1.71 |
| AKC028 | 202.0 | 192.7 | 197.4 | 4.7 | 0.251 | 1.18 | 192.9 | 194.4 | 1.5 | 0.122 | 0.18 |
| AKC028 | 202.0 | 201.8 | 202.4 | 0.7 | 0.109 | 0.07 | 195.5 | 197.1 | 1.6 | 0.242 | 0.39 |
| AKC028 | 202.0 | 207.3 | 208.6 | 1.3 | 0.097 | 0.13 | 201.7 | 202.4 | 0.7 | 0.084 | 0.06 |
| AKC028 | 202.0 | | | | | | 207.9 | 208.4 | 0.5 | 0.161 | 0.08 |
| AKC028 | 202.0 | | | | | | 209.2 | 209.9 | 0.7 | 0.077 | 0.05 |
| AKC029 | 204.0 | 200.0 | 210.6 | 10.7 | 0.203 | 2.16 | 200.4 | 202.7 | 2.3 | 0.103 | 0.24 |
| AKC029 | 204.0 | | | | | | 204.9 | 212.5 | 7.6 | 0.264 | 2.01 |
| AKC030 | 228.0 | 207.4 | 211.6 | 4.2 | 0.085 | 0.36 | 207.3 | 208.6 | 1.3 | 0.131 | 0.17 |
| AKC031 | 231.0 | 202.3 | 202.8 | 0.5 | 0.091 | 0.05 | 205.2 | 206.8 | 1.6 | 0.431 | 0.69 |
| AKC031 | 231.0 | 205.0 | 206.9 | 1.9 | 0.275 | 0.52 | | | | | |

Table 1: Four Mile East Uranium Deposit Summary Drilling Data (continued)

Notes: These figures are provisional and may be subject to revision by calibration correction factors. Cut-off grade: 0.05 %U3O8. Minimum width: 0.5m. Maximum internal dilution: 1.0m. GT= grade x thickness. GT>1m%pU₃O₈ highlighted.

| Hole Details | | Gamma | | | | | PFN | | | | |
|--------------|---------|-------|-------|----------|----------|----------|-------|-------|----------|----------|--------|
| Hole ID | T_Depth | From | To | Interval | eU3O8(%) | GT-eU3O8 | From | To | Interval | pU3O8(%) | GT-PFN |
| AKC032 | 229.0 | 196.0 | 197.7 | 1.8 | 0.301 | 0.53 | 194.6 | 195.1 | 0.5 | 0.202 | 0.10 |
| AKC032 | 229.0 | 201.7 | 202.5 | 0.8 | 0.813 | 0.65 | 196.2 | 197.8 | 1.6 | 0.213 | 0.34 |
| AKC032 | 229.0 | | | | | | 201.9 | 202.6 | 0.7 | 0.614 | 0.43 |
| AKC032 | 229.0 | | | | | | 207.2 | 207.7 | 0.5 | 0.151 | 0.08 |
| AKC033 | 231.0 | 200.1 | 203.1 | 3.0 | 0.076 | 0.23 | 200.5 | 201.6 | 1.1 | 0.085 | 0.09 |
| AKC034 | 228.0 | 196.7 | 197.4 | 0.7 | 0.113 | 0.08 | 197.0 | 197.6 | 0.6 | 0.075 | 0.05 |
| AKC035 | 230.0 | 191.1 | 191.7 | 0.7 | 0.116 | 0.08 | 191.1 | 191.7 | 0.6 | 0.126 | 0.08 |
| AKC035 | 230.0 | 193.3 | 193.9 | 0.6 | 0.166 | 0.10 | 200.6 | 201.2 | 0.6 | 0.226 | 0.14 |
| AKC035 | 230.0 | 200.7 | 201.2 | 0.5 | 0.116 | 0.06 | | | | | |

Compliance Statement

The information in this report that relates to Uranium Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Bowden who is a Chartered Geologist and Fellow of the Geological Society of London, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. Mr Andrew Bowden is employed by GeoDec Consulting. Mr Bowden has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Bowden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ALLIANCE BOOSTED BY FURTHER HIGH-GRADE URANIUM RESULTS AT FOUR MILE EAST

DRILLING CONTINUES TO DELIVER FOLLOWING ANNOUNCEMENT OF EXPLORATION TARGET POTENTIAL

- Drilling in December 2007 features outstanding high uranium grades up to 2.09% pU₃O₈.
- Diamond core drilling commences to identify an area suitable for a Field Leach Trial (FLT).
- Latest results follow yesterday's announcement by Alliance of an Exploration Target Range for FME of 13,500 to 21,500 contained tonnes (30-47Mlb) of U₃O₈.
- Initial mineral resource estimate commencing 2Q 2008.

Melbourne-based uranium, gold and copper group, Alliance Resources Limited (ASX: AGS), has added further weight to the emerging potential of **Four Mile East (FME)** deposit, at its 25% owned Four Mile Uranium Project in South Australia, announcing **further outstanding high-grade uranium intercepts** as part of its drilling update for December 2007 provided by joint venture partner and operator, Quasar Resources Pty Ltd.

Alliance said today (**Thursday**) that a total of 37 holes for 8,113 metres was completed during December within EL 3666, the tenement that hosts the FME and nearby Four Mile West (FMW) deposits. The Four Mile Project is located near the operating Beverley Uranium Mine in South Australia.

Latest drilling returned significant intercepts including **2.1m @ 1.84% pU₃O₈, 2.2m @ 0.46% pU₃O₈, 3.9m @ 0.57% pU₃O₈, 2.3m @ 0.60% pU₃O₈, 3.7m @ 1.12% pU₃O₈, 3.2m @ 0.37% pU₃O₈, 2.8m @ 0.57% pU₃O₈, 2.5m @ 1.00% pU₃O₈, 1.3m @ 1.14% pU₃O₈, 1.4m @ 2.09% pU₃O₈, 4.2m @ 0.41% pU₃O₈ and 7.6m @ 0.26% pU₃O₈.**

Alliance's Chief Executive Officer, Mr Steve Johnston, said latest results provided further strong evidence of the deposit's potential, with five diamond drill holes also completed during December in an area being investigated for a potential Field Leach Trial later this year.

"The latest results follow yesterday's announcement by Alliance of an Exploration Target Range for the FME deposit of 13,500 to 21,500 contained tonnes, or 30-47Mlb of U₃O₈, in accordance with Clause 18 of the JORC Code (2004)," Mr Johnston commented. "An initial mineral resource estimate for the deposit is scheduled to commence in the June quarter of 2008.

"The Exploration Target Range provides a good indication of just how significant the FME discovery is and the potential for the Four Mile deposits to underpin a world-class uranium project," he added. "The ongoing drilling is continuing to build this picture and gives us great confidence in the quality of the Four Mile Project."

Mr Johnston said an area of approximately 200 metres by 200 metres had been selected in the northern region of the FME deposit for a detailed assessment including close-spaced rotary mud and diamond core drilling for a Field Leach Trial.

- ENDS -

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COMPETENT PERSON'S STATEMENT

The information in this report that relates to Uranium Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Bowden who is a Chartered Geologist and Fellow of the Geological Society of London, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. Mr Andrew Bowden is employed by GeoDec Consulting. Mr Bowden has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Bowden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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