



Ms Narissa Taylor
Senior Adviser, Issuers (Perth)
ASX Limited
L8, Exchange Plaza
2 The Esplanade
Perth, WA, 6000

By e-mail: narissa.taylor@asx.com.au

Dear Narissa

**ALLIANCE RESOURCES LIMITED (THE "COMPANY") – RESPONSE TO ASX LIMITED
LETTER OF 29 APRIL 2008**

With reference to your letter dated 29 April 2008.

Our responses to the questions set out in your letter are set out below. As requested, they are in a format suitable for release to the market, pursuant to listing rule 18.7A.

- 1. Does the Company believe that the drill results from the Four Mile project that were announced to the market on 28 April 2008 (the "Results") are material to the Company pursuant to listing rule 3.1?**

No, the Company does not believe the drill results announced on 28 April 2008 were "material" within the meaning of listing rule 3.1. The results relate to infill drilling undertaken ahead of the initial mineral resource estimate for Four Mile East and for the purpose of confirming previous results. The results were consistent with expectations based on previously announced results. The drilling was not within a new area or for the purpose of extending the area of mineralisation.

It is the Company's policy to release as much information as possible in order to keep the market fully informed. However, it is also mindful of its obligations to ensure the accuracy of all information released so as not to mislead the market or create a false market.

- 2. If the answer to question 1 is yes, when did the Company first become aware of the Results?**
- Not applicable.
- 3. If this was before the Announcement, please identify any earlier announcement from the Company relating to the Results.**
- Not applicable
- 4. If there was no earlier announcement, and the Company became aware of Results prior to the Announcement, why was the information not released to the market at an earlier time? Please comment specifically on the application of Listing Rule 3.1 and the exceptions to the rule in listing rule 3.1A. The requirements in the exception of listing rule 3.1A include that the information must be confidential and in relation to incomplete proposal or negotiation.**

Not applicable.

5. ***With reference to the exception to listing rule 3.1A.2 and the requirements for confidentiality, please comment on whether the movement in the share price indicates that confidentiality in relation to the Results had been lost prior to the Announcement being lodged with ASX.***

The Company takes its obligations of confidentiality very seriously and takes steps to ensure that all confidential information remains confidential. The Company has made enquiries of those persons who had access to the information and has no basis for believing that the information ceased to be confidential prior to the announcement on 28 April 2008.

6. ***With reference to the exception to listing rule 3.1A.3 and the requirements that at least one of the bullet points applies please comment on the basis on which the Company considers that any of the bullet points in listing rule 3.1A.3 apply?***

Not applicable.

7. ***Please confirm that the Company is compliance with listing rule 3.1.***

I confirm that the Company has at all times acted in accordance with the Listing Rules and in particular, listing rule 3.1 and remains in compliance with that rule.

Please feel free to contact me should you require any further clarification

Yours sincerely



Ian Pamensky
Company Secretary
Alliance Resources Limited



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29 April 2008

Mr Ian Pamensky
Company Secretary
Alliance Resources Limited
Level 3
51-55 City Road
SOUTHBANK VIC 3006

By facsimile: (03) 9697 9091

Dear Ian

Alliance Resources Limited (the "Company")

We refer to the Company's announcement regarding an update on the Four Mile Uranium Joint Venture on 28 April 2008 (the "Announcement").

Further, we note:

- the change in the price of the Company's securities from a low of \$0.68 on 22 April 2008 to a high of \$1.00 on 24 April 2008;
- a corresponding increase in the volume of securities traded over this period; and
- the Company's request for a trading halt on 24 April 2008 pending the release of drill results for the Four Mile project.

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity".

In addition, we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Having regard to the above definition, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Does the Company believe that the drill results for the Four Mile project that were announced to the market on 28 April 2008 (the "Results") are material to the Company pursuant to listing rule 3.1?
2. If the answer to question 1 is yes, when did the Company first become aware of the Results?
3. If this was before the Announcement, please identify any earlier announcement from the Company relating to the Results.
4. If there was no earlier announcement, and the Company became aware of Results prior to the Announcement, why was the information not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A. The requirements in the exception of listing rule 3.1A include that the information must be confidential and in relation to an incomplete proposal or negotiation.
5. With reference to the exception in listing rule 3.1A.2 and the requirement for confidentiality, please comment on whether the movement in the share price indicates that confidentiality in relation to the Results had been lost prior to the Announcement being lodged with ASX.
6. With reference to the exception in listing rule 3.1A.3 and the requirement that at least one of the bullet points applies please comment on the basis on which the Company considers that any of the bullet points in listing rule 3.1A.3 apply?
7. Please confirm that the Company is in compliance with listing rule 3.1.

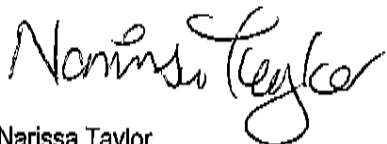
Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than close of trading on Thursday, 1 May 2008.

Your response should be sent to me by e-mail at narissa.taylor@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Should you wish to discuss this matter, please do not hesitate to contact me.

Yours sincerely,



Narissa Taylor
Senior Adviser, Issuers (Perth)

Direct Line: (08) 9224 0023