



ALKANE EXPLORATION LTD

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15 December 2005

The Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street,
Sydney NSW 2000

Dear Sir,

PLACEMENT ISSUE

The Company wishes to announce that it has today formalised arrangements with DJ Carmichael Pty Limited to raise up to \$1,900,000 by way of an issue of up to 10,000,000 fully paid ordinary shares at an issue price of 19 cents per share.

These funds will be raised pursuant to the "excluded offer" provisions (Section 708) of the Corporations Act, 2001.

Funds raised from the placement will be applied as follows:

- a) funding pre-feasibility studies at Wyoming
- b) further development work at the Dubbo Zirconia Project
- c) other working capital.

The capital raising is being done on a "best endeavours" basis by DJ Carmichael Pty Limited and is intended to be completed by Tuesday 20 December 2005.

All Placement Issue shares will rank equally in all respects with the existing ordinary shares of the Company on issue. Appendix 3B application for quotation of the new shares will be lodged once all application funds have cleared and allotment completed. No director or their associates have participated in the Placement Issue.

This announcement is that referred to yesterday by the Company as the reason for a trading halt in its securities. The Company now requests that trading halt to be lifted and normal trading in the securities to be resumed at opening of trading tomorrow morning.

Yours faithfully,

For **ALKANE EXPLORATION LIMITED**

L A Colless
Director/Secretary