



ALKANE EXPLORATION LTD

A.B.N 35 000 689 216

24 April 2007

Manager Announcements
Company Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir,

SALE OF UNMARKETABLE PARCELS OF SHARES

Letters are being despatched today to shareholders with less than a marketable parcel of shares, determined as at close of business on 23 April 2007.

Based on a closing share price on that date of 25 cents per share, an unmarketable parcel of shares was 2,000 fully paid ordinary shares in the Company.

There were at that date, 2,493 holders of unmarketable parcels holding a total of 610,465 shares.

Shareholders holding unmarketable parcels of shares and wishing to retain their shares must complete the Share Retention Form to reach the Company's share register by no later than 5pm WST 5 June 2007.

A copy of the letter and accompanying Share Retention Form are attached.

Yours faithfully,
for **ALKANE EXPLORATION LTD**

L A Colless
Secretary



24 April 2007

Dear Shareholder

Notice of intention to sell your unmarketable parcel of shares

Alkane Exploration Ltd ("the Company") has on its books a large number of shareholders with small shareholdings. Our records indicate that the number of shares you hold in the Company is less than a Marketable Parcel. A Marketable Parcel is defined in the ASX Market Rules as a parcel of shares worth A\$500 or greater, based on their closing price on ASX.

The cost to the Company in administering shareholdings of less than a Marketable Parcel ("Unmarketable Parcel") and in providing annual reports, notices of meeting and other information to its shareholders is considerable. In many cases these expenses are often greater than the value of the underlying shares. Also, many share brokers will not ordinarily contemplate dealing with an Unmarketable Parcel of shares. Therefore, many companies are implementing procedures to sell Unmarketable Parcels of shares, and the Company proposes to do likewise.

The Company gives you notice pursuant to Rule 31 of its Constitution that, as your shareholding had a market value of less than A\$500 at the close of trading of ASX on 23 April 2007¹, your shares will be sold by the Company on your behalf unless we receive written notification from you, by the time and date indicated below, that you elect to retain your shares.

Election to retain your shares

If you elect to retain your shares, you **must** give the Company written notice that you elect to retain your shares by no later than 5pm WST 5 June 2007.

You can do this by completing, signing and returning the attached Share Retention Form to the Company's share registry at:

Advanced Share Registry Services

By mail

PO Box 1156
Nedlands WA 6909
Australia

or

In person

110 Stirling Highway
Nedlands WA 6009
Australia

Please also note that the Company will not sell your shares if a third party announces a takeover offer for the Company.

Consistent with its continuous disclosure obligations, the Company may release to the ASX information that may be material to a shareholder's decision as to whether they wish to retain their shares. This information will, if released, be available on the ASX website, www.asx.com.au The Company's ASX Code is "ALK".

Your shares will be sold if you do not elect to retain them

If the Company does **not** receive written notice that you wish to retain your shares by 5pm WST 5 June 2007, the Company will appoint DJ Carmichael Pty Limited to sell your shares on ASX, together with the shares held by all other persons holding an Unmarketable Parcel of shares who did not give the Company notice that they wished to retain their shareholding.

The Company will pay the expenses associated with the sale of your shares and will remit the proceeds of the sale to your current registered address.

If you have any questions regarding this letter, please contact the Company's share registry on +61 8 9389 8033.

Yours faithfully,
for **ALKANE EXPLORATION LTD**

A handwritten signature in black ink, appearing to read "John S F Dunlop". The signature is written in a cursive, flowing style.

John S F Dunlop
Chairman

¹ The Company's share price on ASX at the close of trading on 23 April 2007 was A\$0.25



ALKANE EXPLORATION LTD

A.B.N 35 000 689 216

---- DPID ----

- <Address Line 1>
- <Address Line 2>
- <Address Line 3>
- <Address Line 4>
- <Address Line 5>
- <Address Line 6>

RETENTION OF SHARES NOTICE

<Barcode SRN/HIN>
SRN / HIN: <SRN / HIN written>

Number of Shares:

By letter dated 24 April 2007, Alkane Exploration Ltd ("the Company") notified you that your shareholding in the Company is less than a Marketable Parcel as at the date of the letter. As indicated in the letter, the Company will sell your shares, **unless** you complete and return this Retention of Shares Notice by 5 June 2007.

In accordance with Rule 31 of the Constitution of the Company (see note below), I give notice that I wish to retain my shareholding in the Company.

Signature of Shareholder(s)

Individual or First Shareholder

Sole Director or
Sole Company Secretary

Shareholder 2

Director/Company Secretary

Shareholder 3

Director

Date:

NOTES TO THIS NOTICE

- 1. Number of Shares**
This Notice only applies to the account identified by the SRN / HIN given above.
- 2. Signature requirements**
Each shareholder must sign this form. If shares are held in joint names, all shareholders must sign. If signing as an Attorney, then the Power of Attorney must have been noted by the Company's share registry to be duly executed and accompany this form. Only duly authorised officers may sign on behalf of a company, stating the office held by the signatories.
- 3. Company can sell Unmarketable Parcels of Shares (Rule 31 of the Company's Constitution)**
You must complete and return this Retention of Shares Notice by 5 June 2007 if you do not wish the Company to sell your shareholding in accordance with rule 31 of the Company's constitution. If you do not return this Retention of Shares Notice by 5 June 2007, the Company can sell your shareholding, as set out in the letter dated 24 April 2007.
- 4. Address for Retention of Shares Notice**

Alkane Exploration Ltd
c/- Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009
(PO Box 1156
NEDLANDS WA 6909)