



28 December 2007

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

Dear Sir,

RIGHTS ISSUE – UNDERSUBSCRIPTIONS

The Board of Alkane Resources Ltd wishes to advise that the non-renounceable rights issue pursuant to the prospectus dated 19 November 2007 closed on 21 December 2007 with a total of 14,495,258 shares accepted by shareholders.

Undersubscriptions total 25,783,436 shares. This shortfall will be placed in accordance with the underwriting agreement. The offer is fully underwritten by Gandel Metals Pty Ltd as trustee for the Gandel Metals Trust.

Confirmation of allotment and despatch will be advised to ASX in due course in accordance with the Listing Rules.

Yours faithfully,
for **ALKANE RESOURCES LTD**

L A Colless
Secretary