



ALKANE EXPLORATION LTD

ABN 35 000 689 216

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16 March 2005

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

PLACEMENT ISSUE

Alkane Exploration Ltd ("**Company**") has completed a placement of shares with institutional and sophisticated investors ("**Placement Issue**") to raise funds to complete feasibility studies on the Company's Wyoming and Galwadgere projects, to continue exploration on other existing projects, and for working capital. The Placement Issue of approximately 17,825,000 ordinary fully paid shares was made at an issue price of A\$0.18 per share to raise A\$3.2 million less costs of the issue.

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 made.

The Placement Issue is being made to clients of DJ Carmichael Pty Limited and other investors pursuant to excluded offers for the purposes of section 708 of the Corporations Act 2001. No Director or their associates have participated in the Placement Issue.

Yours faithfully,
for **ALKANE EXPLORATION LTD**

L A Colless
Director/Secretary