



ALKANE EXPLORATION LTD

A.B.N 35 000 689 216

3 November 2006

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

Dear Sir,

RIGHTS OFFER – UNDER SUBSCRIPTIONS

The Board of Alkane Exploration Ltd wishes to advise that the non-renounceable rights offer pursuant to the prospectus dated 27 September 2006 closed on 2 November 2006 with a total of 7,781,976 shares accepted by shareholders.

Undersubscriptions total 1,762,066 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 EXPLORATION LTD**

D I Chalmers
Managing Director