



ABN 74 106 240 475

Palace Resources Ltd
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17 September 2009

The Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Completion of Tranche #1 placement

As advised to the ASX in an announcement on 2 September 2009, Palace Resources Ltd ("Palace") proposed to issue a further 17,00,000 fully paid ordinary shares ("PXR") via 2 distinct allotment of shares.

Palace has pleasure in announcing that it has completed the 1st tranche of its 17,000,000 PXR placement.

The shares were issued at a placement price of \$0.012 each and a total of 6,900,000 PXR's have been issued and listed.

In order to remove any ambiguity, please be advised the following securities are immediately available for trade:

PXR	Fully paid ordinary shares	53,073,853
PXRO	Options expiring on 30 June 2012 at an exercise price of \$0.20 each	34,767,890

As previously stated, the balance of the new shares to be issued, (10,100,000) will be issued following shareholders approval.

The shareholders meeting has been set for 2 Oct 2009 at Suite 2, 16 Ord Street West Perth at 11:00AM (WST).

If any further information is required, please do not hesitate to contact this office.

Yours Sincerely

Roland Berzins
Company Secretary