

30 November 2011

ASX Code: **AGS**

No. of pages: 11

APPENDIX 3Y - CHANGE OF DIRECTOR'S INTEREST NOTICE & APPENDIX 3B - NEW ISSUE ANNOUNCEMENT

DETAILS OF ANNOUNCEMENT

The terms of the Remuneration Options issued to Mr Steve Johnston as detailed in the Appendix 3X announced on 25 October 2011 have been varied to include a vesting condition.

As a result of the variations, the terms of the Remuneration Options will be as follows:

- 1,000,000 options with a \$0.30 exercise price vesting on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date) and expiring 30 April 2014; and
- 1,000,000 options with a \$0.50 exercise price vesting on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date) and expiring 30 April 2015.

The following documents are attached for lodgement:

- APPENDIX 3Y – Change of Director's Interest Notice; and
- APPENDIX 3B – New Issue Announcement.

Please feel free to contact me with any questions regarding this announcement.



Ian Pamensky
Company Secretary

Further information relating to the Company and its various exploration projects can be found on the Company's website at www.allianceresources.com.au

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity ALLIANCE RESOURCES LIMITED
ABN 38 063 293 336

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Steve F Johnston
Date of last notice	19 October 2011

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct & Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	<ul style="list-style-type: none">▪ Minlink Pty Ltd <Stephen Johnston S/Fund A/C>▪ Minlink Pty Ltd <SF Johnston Family A/C>
Date of change	30 November 2011 - Unlisted Options Issued
No. of securities held prior to change	a) Ordinary Shares – 5,516,823 b) Unlisted Options – Nil

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

Class	a) Shares - Ordinary Shares (AGS) b) Options – N/A
Number acquired¹	a) Shares – Nil b) Options <ul style="list-style-type: none"> • 1,000,000 - Managing Director's options exercisable at \$0.30 - Expiry: 30 April 2014 • 1,000,000 - Managing Director's options exercisable at \$0.50 - Expiry: 30 April 2015
Number disposed	a) Shares – N/A b) Options – N/A
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	a) Shares – N/A b) Options – N/A
No. of securities held after change	a) Shares – 5,516,823 Ordinary Shares b) Unlisted Options <ul style="list-style-type: none"> • 1,000,000 - Managing Director's options exercisable at \$0.30 - Expiry: 30 April 2014 • 1,000,000 - Managing Director's options exercisable at \$0.50 - Expiry: 30 April 2015
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Issue of Unlisted Managing Director Options in terms of employment agreement. The Options are convertible into Ordinary Shares in Alliance Resources Limited. The Option terms are as follows: <ul style="list-style-type: none"> ▪ 1,000,000 options with a \$0.30 exercise price vesting on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date) and expiring 30 April 2014; and ▪ 1,000,000 options with a \$0.50 exercise price vesting on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date) and expiring 30 April 2015.

¹ Issue of Unlisted Managing Director Options in terms of employment agreement. The Options are convertible into Ordinary Shares in Alliance Resources Limited. The Options vest on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date)

+ See chapter 19 for defined terms.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Employment Agreement
Nature of interest	Contract of Employment
Name of registered holder (if issued securities)	Mr Stephen Fredrick Johnston
Date of change	30 November 2011
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	<ul style="list-style-type: none"> ▪ 1,000,000 options with a \$0.30 exercise price vesting on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date) and expiring 30 April 2014; and ▪ 1,000,000 options with a \$0.50 exercise price vesting on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date) and expiring 30 April 2015.
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	Free
Interest after change	<ul style="list-style-type: none"> a) Shares – 5,516,823 Ordinary Shares b) Unlisted Options <ul style="list-style-type: none"> • 1,000,000 - Managing Director's options exercisable at \$0.30 - Expiry: 30 April 2014 • 1,000,000 - Managing Director's options exercisable at \$0.50 - Expiry: 30 April 2015

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public. Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

ALLIANCE RESOURCES LIMITED

ABN

38 063 293 336

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | <ul style="list-style-type: none"> ▪ Unlisted Options – Managing Director Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <ul style="list-style-type: none"> ▪ Unlisted Options Issued – 2,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>The terms of the unlisted options are as follows:</p> <ul style="list-style-type: none"> ▪ 1,000,000 options with a \$0.30 exercise price vesting on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date) and expiring 30 April 2014; and ▪ 1,000,000 options with a \$0.50 exercise price vesting on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date) and expiring 30 April 2015. |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<ul style="list-style-type: none"> • N/A as new class and unlisted
<p>5 Issue price or consideration</p>	<ul style="list-style-type: none"> • Nil – Free Unlisted Managing Directors Options, issued in terms of Employment Agreement.
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ul style="list-style-type: none"> ▪ Unlisted Managing Directors Options issued – Issued as a Long Term Incentive in terms of Employment Agreement.
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<ul style="list-style-type: none"> ▪ Date for entering to share register – 30 November 2011

+ See chapter 19 for defined terms.

8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		<ul style="list-style-type: none"> 341,172,309 1,000,000⁽¹⁾ 1,000,000⁽¹⁾ <p>(1) <i>New Issue Approved by Directors and Issued as part of Employment Agreement. The Options are convertible into Ordinary Shares in Alliance Resources Limited. The Options vest on the date being 6 months after the date of issue (subject to the continued employment of Mr Johnston at that date)</i></p>	<p>Fully paid ordinary shares</p> <p>Managing Director's options exercisable at \$0.30 Expiry: 30 April 2014</p> <p>Managing Director's options exercisable at \$0.50 Expiry: 30 April 2015</p>
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		<ul style="list-style-type: none"> 1,000,000 1,000,000 	<p>Managing Director's options exercisable at \$0.30 Expiry: 30 April 2014</p> <p>Managing Director's options exercisable at \$0.50 Expiry: 30 April 2015</p>
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	▪ N/A
12	Is the issue renounceable or non-renounceable?	▪ N/A
13	Ratio in which the +securities will be offered	▪ N/A

+ See chapter 19 for defined terms.

14	+Class of +securities to which the offer relates	▪ N/A
15	+Record date to determine entitlements	▪ N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	▪ N/A
17	Policy for deciding entitlements in relation to fractions	▪ N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross-reference: rule 7.7.	▪ N/A
19	Closing date for receipt of acceptances or renunciations	▪ N/A
20	Names of any underwriters	▪ N/A
21	Amount of any underwriting fee or commission	▪ N/A
22	Names of any brokers to the issue	▪ N/A
23	Fee or commission payable to the broker to the issue	▪ N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	▪ N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	▪ N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	▪ N/A

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	▪ N/A
28	Date rights trading will begin (if applicable)	▪ N/A
29	Date rights trading will end (if applicable)	▪ N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	▪ N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	▪ N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	▪ N/A
33	+Despatch date	▪ N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

+ See chapter 19 for defined terms.

- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

Quotation agreement

+ See chapter 19 for defined terms.

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 30 November 2011

Print name:

**Ian Pamensky
Company Secretary**

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