



2 April 2012

Manager Announcements
ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir,

ENTITLEMENT OFFER SHORTFALL

With reference to Alkane Resources Ltd's recent non-renounceable pro rata entitlement offer (**Entitlement Offer**) we advise that the shortfall from the Entitlement Offer is 4,472,341 fully paid ordinary shares (**Shortfall Shares**) out of a total of 26,903,342 shares offered.

The shortfall has been underwritten by Regal Funds Management Pty Ltd (**Regal**) up to an amount of approximately \$12.2 million. Regal has appointed Gandel Metals Pty Ltd (**Gandel Metals**) as trustee for the Gandel Metals Trust, an investment company associated with Alkane director, Mr Ian Gandel, to sub-underwrite its obligations. Pursuant to those sub-underwriting arrangements, Gandel Metals will subscribe for all of the Shortfall Shares. Both the underwriting arrangements and sub-underwriting arrangements for the Entitlement Offer are detailed in the Entitlement Offer Booklet dated 1 March 2012.

Allotment of the shares subscribed for under the Entitlement Offer, together with the Shortfall Shares will take place on 10 April 2012, with despatch of shareholding statements occurring on the same day.

Yours faithfully,
for **ALKANE RESOURCES LTD**

Karen E V Brown
Joint Company Secretary