



Alara Uranium Limited
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Monday, 21 May 2007

MARKET ANNOUNCEMENT

Escrowed Securities and Terms

The Company confirms the following restricted securities currently on issue:

Class of Securities	Holder(s)	Issue Details	Number of Securities	Escrow Period
Fully paid ordinary shares	Founding shareholders	held by related parties and promoters	4,725,000	24 months from the date of official quotation of Alara's shares on ASX
Fully paid ordinary shares	Founding shareholders	held by unrelated parties	775,000	12 months from their issue date on 6 December 2006
Fully paid ordinary shares	Strike Resources Limited (Strike)	Vendor consideration	28,750,000	24 months from the date of official quotation of Alara's shares on ASX
Fully paid ordinary shares	Orion Equities Limited	Vendor consideration	6,250,000	24 months from the date of official quotation of Alara's shares on ASX
TOTAL			40,500,000	

Strike's Distribution Of Alara Shares *In Specie*

Strike has agreed to undertake an *in-specie* distribution of up to 16,000,000 shares in Alara held by Strike (the ***In-Specie Distribution***) to Strike shareholders at a time to be nominated by the Strike board but being not more than 6 months after the Alara shares commence quotation on the ASX, subject to the ASX granting a waiver for such dealing of escrowed shares, all regulatory and shareholder approvals and consideration by Strike of the tax consequences arising therein.

ASX has advised Alara that the *In-Specie* Distribution received by Strike shareholders (other than the related parties and promoters of Alara, Strike or any of their associates) will cease to be subject to restriction after the despatch of holding statements to Strike shareholders.

Alara has undertaken to enter into restriction agreements (for an escrow period of 24 months from the date of official quotation of the securities of Alara on ASX) in relation to any securities of Alara issued or distributed to related parties and promoters of Alara, Strike or any of their associates, under the proposed Strike *In-Specie* Distribution.

Further information:

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Proposed ASX Code | **AUQ**

