



Alara Uranium Limited
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Friday, 14 September 2007

MARKET ANNOUNCEMENT

Despatch of Options Rights Issue Prospectus

The Company refers to its Prospectus lodged with ASIC and ASX on 3 September 2007 in respect of a 3 for 4 non-renounceable rights issue of options at an issue price of one cent per option and an exercise price of \$0.25 per share with such options expiring on 30 June 2009 (**Options Offer**).

The Company confirms that it has despatched a copy of the Prospectus and personalised Acceptance Forms to all eligible shareholders (registered as holding shares in the Company as at the record date of 12 September 2007).

Eligible shareholders who wish to subscribe for options will need to complete and return their personalised Application Form on or before the closing date of 28 September 2007.

An indicative timetable is as follows:

EVENT	DATE
Prospectus lodged with ASIC and ASX	3 September 2007
Lodgment of Appendix 3B Application for Quotation with ASX	3 September 2007
Notice sent to shareholders containing information required by Appendix 3B	4 September 2007
Alara Uranium (AUQ) shares commence trading ex entitlement	5 September 2007
Record Date for determining entitlements	12 September 2007
Despatch Prospectus and lodge announcement of completion of despatch on ASX	14 September 2007
Closing Date of Options Offer	28 September 2007
Deferred settlement trading of Options (ASX Code: AUQO) commences	1 October 2007
Date of allotment and issue of Options	3 October 2007
Option Holder Statements dispatched	5 October 2007
Deferred settlement trading of Options (AUQO) ends	5 October 2007

NOTES: Certain items are indicative dates only, which may change. The Company reserves the right to vary dates by either shortening or extending such dates, subject to the Corporations Act and ASX Listing Rules. Certain dates are also subject to the ASX Listing Rules; to the extent that any of the above dates are inconsistent with the Listing Rules, the dates prescribed under the Listing Rules shall be applicable

Further information:

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ASX Code | **AUQ**

