



Alara Uranium Limited
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Tuesday, 28 August 2007

MARKET ANNOUNCEMENT

Update on Loyalty Options Offer

As previously announced and disclosed in the Company's IPO Prospectus, the Company propose to undertake 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 with such options expiring on 30 June 2009 (**Options Offer**). The Company will apply for these options to be quoted on ASX.

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 | 2 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:**
- (a) 7 September and 1 October 2007 are non-settlement days on ASX;
 - (b) 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

A prospectus for Options Offer will be issued in accordance with the above timetable. Shareholders registered at the relevant options record date and who wish to subscribe for options will need to complete the application form that will accompany and form part of the prospectus at that time.

Further information:

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ASX Code | **AUQ**

