



ALKANE EXPLORATION LTD

ABN 35 000 689 216

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5 June 2003

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

THIRD PROGRESSIVE ALLOTMENT PURSUANT TO PROSPECTUS DATED 21 MARCH 2003

Further to prospectus dated 21 March 2003 and provisional Appendix 3B application for quotation of shares lodged with ASX on that date, the Directors advise that a third progressive allotment of 1,702,830 shares has been made to applicants today, 5 June 2003.

The shares will be allocated into the Company's share registers by tomorrow, 6 June 2003.

The issued capital of the Company is now as follows:

Ordinary fully paid shares	135,804,635
Options expiring 31/03/2005	9,797,679
Unlisted directors' options expiring 31/05/2005	3,000,000
Unlisted consultants' options expiring 24/05/2007	500,000
Unlisted directors' options expiring 24/05/2007	4,750,000
Unlisted staff/consultants options expiring 29/05/2008	975,000

A revised statement setting out the names of the 20 largest holders of ordinary shares and the percentage held by each will be lodged with ASX as soon as it becomes available.

Yours faithfully,
for **ALKANE EXPLORATION LTD**

L A Colless
Director/Secretary