



Alara Uranium Limited
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Friday, 15 August 2008

MARKET ANNOUNCEMENT

Cancellation of Options

The Company and optionholders have agreed to cancel the following unlisted options pursuant to a deed of cancellation dated 15 August 2008:

	Number of options on issue pre-cancellation	Number of options cancelled	Number of options on issue post-cancellation
\$0.55 (26 July 2012) Unlisted Directors' Options ¹	18,550,000	18,550,000	-
\$0.55 (26 July 2012) Unlisted Employees' Options ²	1,425,000	925,000	500,000
Total	19,975,000	19,475,000	500,000

The issued securities of the Company post the above cancellation are as follows:

	Quoted on ASX	Not Quoted on ASX or Subject to Escrow	Total
Fully paid ordinary shares	56,011,285	24,496,215	80,507,500
\$0.25 (30 June 2009) Listed Options	60,367,500	-	60,367,500
\$0.55 (26 July 2012) Unlisted Employees' Options	-	500,000	500,000
Total	116,378,785	24,996,215	141,375,000

The options were cancelled as part of a review of the Company's directors and employee option plan. Once formulated, a new directors and employee option plan will be put to shareholders for approval at a general meeting. Further details will be including in the meeting documentation in due course.

Further information:

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¹ Terms and conditions of issue are set out in a [Notice of Meeting and Explanatory Statement dated 21 June 2007](#) for a General Meeting held on 7 July 2007 and in an [ASX Appendix 3B New Issue Announcement lodged on 3 August 2007](#)

² Refer footnote 1

