

Zinifex Limited
ABN 29 101 657 309

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ZINIFEX

26 May 2008

The Manager
Company Announcements Office
ASX Limited

Dear Sir/Madam

**Takeover bid by Zinifex Australia Limited for Allegiance Mining NL
- Compulsory Acquisition**

Enclosed is a copy of ASIC Form 6021 – Notice of compulsory acquisition following takeover bid (“**Notice**”) and accompanying letter (“**Letter**”) to be sent to remaining shareholders in Allegiance Mining NL (“**Allegiance**”), in accordance with section 661B(1)(d) of the Corporations Act.

The Notice was lodged today with ASIC and the Notice and Letter will be sent to those shareholders of Allegiance who did not accept the Offer on or prior to the closing date on 16 May 2008.

Yours faithfully

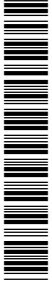
For and on behalf of
ZINIFEX LIMITED



ZINIFEX

Zinifex Limited

ABN 29 101 657 309



000001 000 ZFX
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

26 May 2008

Dear Allegiance Shareholder

Allegiance Mining NL- Compulsory Acquisition of Shares

As set out in the Bidder's Statement dated 17 December 2008, Zinifex Australia Limited ("Zinifex") made a takeover bid ("Offer") to acquire all the ordinary shares in Allegiance Mining NL ("Allegiance"). The Offer period closed at 7.00pm (Melbourne time) on 16 May 2008.

As at 16 May 2008, Zinifex had a relevant interest in more than 90% of the shares in Allegiance.

Zinifex has decided to exercise its rights under section 661A of the Corporations Act to proceed with the compulsory acquisition of the remaining Allegiance shares.

According to Allegiance's share registry, you hold Allegiance shares and have not accepted the Offer. You will find a Form 6021 - Notice of compulsory acquisition following takeover bid ("Notice") on the reverse of this letter. This Notice sets out the compulsory acquisition procedure and your rights.

The compulsory acquisition of your Allegiance shares will be on the same terms as the Offer (ie. cash consideration of \$1.10 cash per Allegiance share). On completion of the compulsory acquisition procedure, Zinifex will pay to Allegiance the consideration for your Allegiance shares. You will be then be entitled to claim the consideration from Allegiance.

If you have any questions regarding the compulsory acquisition process, please call Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia).

Yours faithfully

Andrew Michelmore
Chief Executive Officer
ZINIFEX LIMITED

Form 6021

ASIC registered agent number 1585

lodging party or agent name

Office, level, building name or

PO Box No.

street number & name

suburb/city

state/territory

postcode

telephone 1300 850 505

facsimile

DX Number

suburb/city

Reference RM

ASS. REQ-A
CASH. REQ-P
PROC.

Australian Securities & Investments Commission

form **6021**

Notice of

**compulsory acquisition
following takeover bid**

Corporations Act 2001
661B(1)(a)

To the Securityholder named on the reverse of this Notice

Securities of **Allegiance Mining NL (ABN 38 059 676 783)** ("the Company").

1. Under an Off Market Bid, offers were made by **Zinifex Australia Limited (ABN 23 004 074 962)** in respect of the acquisition of **ordinary shares** in the Company. The offers closed on 16 May 2008.
2. You are, or are entitled to be, registered as the holder of securities in respect of which an offer was made, but have not accepted the takeover offer.
3. The bidder hereby gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection 661A(1) of the Act to compulsorily acquire your securities and desires to acquire those securities.
4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.
5. Under section 661E of the Act, you have the right, within one month after being given this notice or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before the end of the offer period.
7. Unless on application made by you under section 661E within one month after being given this notice (as referred to in paragraph 6 of the notice) or within 14 days after being given a statement under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, the Court otherwise orders, the bidder must comply with paragraph 6 of this notice.

print name **Anthony Barnes**

capacity **Director**

signature



date **26 /05 /2008**