



Alara makes strong debut, while week's IPOs down

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Yellowcake explorer Alara Uranium Ltd has debuted on the Australian stock exchange at a solid premium, while the previous week's uranium success story, Oklo Uranium Ltd, slipped to 42 cents as the week's ASX debutantes struggled to make up lost ground.

Alara opened at 40 cents or a 60 per cent premium to its initial public offer price of 25 cents, before pulling back to close at 38 cents.

The company raised \$10 million through a heavily oversubscribed IPO.

Alara has compiled a portfolio of five projects prospective for uranium in Australia and Peru, including Mt James, Canning Well and Mt Lawrence Wells in Western Australia.

Alara sourced its uranium projects from precious and base metal explorer Strike Resources Ltd, which is the company's largest shareholder with a 35.7 per cent stake.

"Peru is a major mining country and a top five producer in several base and precious metals, including copper and gold," chairman John Stephenson said in the company's prospectus.

"I am very excited about the uranium concession applications that Alara Uranium has acquired in southern Peru.

"While the current regulatory environment in Australia precludes the development of new uranium mines, the issue is now being debated more openly among the States/Territory and Federal government."

The uranium price, which is at \$US125 per pound, has more than doubled since July when it was fetching about \$US48 per pound on the spot market.

Alara plans to spend about \$7.6 million on exploration over the next two years.

Joining Dr Stephenson on the board is Shanker Madan, who takes on a managing director role and Farooq Khan, who takes on an executive director role.

Meanwhile, junior explorer Oklo closed down 4.5 per cent at 42 cents, just over a week after making its ASX debut at 71.5 cents, a 257.5 per cent rise on its Initial Public Offer price of 20 cents.

The Africa-focused company had raised \$8 million through the sale of 35 million shares.

Other recent Western Australian IPOs didn't fare too well today either, with oil and gas explorer Red Sky Energy closing down 8.3 per cent today, at 16.5 cents, after opening at 19.5 cents yesterday.

Gold and base metals explorer Mount Magnet South NL also closed down 5.7 per cent to 41.5 cents, from a 44 cent opening, after opening at 39.5 cents yesterday, and the Michael-Kiernan chaired base metals explorer Peel Exploration Ltd closed at 33.5 cents after its ASX debut last week at 27.5 cents.

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