



NEWS RELEASE

FOR IMMEDIATE RELEASE – September 30, 2008

FOR: Alhambra Resources Ltd.

SUBJECT: Kemerkol Oil and Natural Gas Subsoil License Dispute

CALGARY, Alberta – Alhambra Resources Ltd. (“Alhambra” or the “Corporation”) announces that as a result of litigation in the Republic of Kazakhstan to which Alhambra was not a party, legal title to the Kemerkol subsoil oil and natural gas contract no. 1580 (“Kemerkol License”) has been recently reinstated to Saga Creek Gold Company LLP (“Saga Creek”), Alhambra’s wholly owned subsidiary in the Republic of Kazakhstan.

By way of background, in 2003 Alhambra directly and indirectly purchased all of the issued and outstanding units of Saga Creek. In connection with negotiations related to this transaction, it was agreed that the vendor (“Vendor”) of the Saga Creek units would retain beneficial ownership of the right to receive the Kemerkol License, once it was issued. In keeping with that agreement, the Kemerkol License was transferred to the Vendor when the Kemerkol License was issued by the Republic of Kazakhstan in 2005. After a series of subsequent transactions and court decisions in the Republic of Kazakhstan not involving Alhambra, title to the Kemerkol License has been recently reinstated to Saga Creek.

Victoria Oil & Gas PLC, Feax Investment Co. Ltd. and Victoria Energy Central Asia LLP, (collectively the “Plaintiffs”) claim entitlement to the Kemerkol License but were unsuccessful before the courts in the Republic of Kazakhstan. Consequently, they commenced legal proceedings in the Court of Queen’s Bench of Alberta on September 26, 2008 against Alhambra and others to prevent Alhambra and Saga Creek from disposing of the Kemerkol License until entitlement thereto has been determined by the courts. The Court granted a temporary injunction in that regard on September 26, 2008. The action alleges that the Vendor acted fraudulently regarding the Kemerkol License and along with restoration of the Kemerkol License claims for punitive damages of \$5,000,000 from all the defendants. Alhambra believes there is no prospect that it could be found liable for such damages.

As for the entitlement to the Kemerkol License, Alhambra does not now and has never claimed a beneficial interest in the Kemerkol License nor has it ever been material to its gold mining business and operations in the Republic of Kazakhstan, and views itself as being unfortunately involved in third party litigation regarding the disputed ownership of the license.

Alhambra does not believe the Courts of Alberta should have intervened in the dispute over the Kemerkol License, denies all allegations in the Statement of Claim and intends to vigorously defend the action commenced by the Plaintiffs, even though no compensatory damages are being sought from Alhambra. Alhambra will continue to monitor the dispute regarding the Kemerkol License and take whatever actions the board of directors deem necessary in the best interests of Alhambra, subject to the terms of the temporary injunction while it subsists.

About Alhambra

Alhambra is a Canadian based gold exploration and production corporation engaged in the exploration of and production from its 100% owned Uzboy Project. Alhambra is currently in its sixth year of operations in the Republic of Kazakhstan.

Alhambra common shares trade on The TSX Venture Exchange under the symbol ALH and in Germany on the Frankfurt Open Market under the symbol A4Y. The Corporation's website can be accessed at www.alhambraresources.com.

The TSX Venture Exchange Inc. has neither approved nor disapproved the information contained herein.

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This news release contains forward - looking information including but not limited to comments regarding the timing and content of upcoming work programs and potential mineral recovery processes. Forward - looking information includes disclosure regarding possible future events, conditions or results of operations that is based on assumptions and courses of action, and therefore, involves inherent risks and uncertainties. For any forward looking information given, management has assumed that the analytical results it has received are reliable and the metallurgical testing methodologies applied are consistent with industry standards. Although management has a reasonable basis for the conclusions drawn, actual results may differ materially from those currently anticipated in such statements. For such statements, we claim the safe harbor for future.