



NEWS RELEASE

FOR IMMEDIATE RELEASE – December 29, 2008

FOR: Alhambra Resources Ltd.

SUBJECT: Alhambra to Appeal Kazakhstan Oblast Court Ruling

CALGARY, Alberta – Alhambra Resources Ltd. (“Alhambra” or the “Corporation”) announces that on December 26, 2008, the Appeal Chamber of the Eastern-Kazakhstan Oblast Court (“Oblast Court”) rejected Alhambra’s appeal on the judgment of the Interdistrict Economic Court of Eastern-Kazakhstan Oblast dated November 25, 2008 (“Judgment”). The Judgment upheld the claim filed in Kazakhstan by Marsa Aktiengesellschaft (Lichtenstein) and Teragol Investment Limited (Cyprus) against Alhambra seeking to invalidate the original agreement whereby Alhambra purchased Saga Creek Gold Company LLP (“Saga Creek”).

Under Kazakhstan law, the Judgment comes into legal force immediately on December 26, 2008 and may be enforced against Alhambra. Through such enforcement, Marsa and Teragol may demand that 100% of Saga Creek be transferred to them, and prevent Alhambra from exercising its voting and other shareholding rights in respect of Saga Creek.

Alhambra intends to appeal the decision of the Oblast Court to the Supervisory Chamber of the Eastern-Kazakhstan Oblast Court and further to the Supreme Court of Kazakhstan.

“We are disappointed with the Oblast Court’s decision” stated John J. Komarnicki, Chairman and CEO of Alhambra, “We disagree with the claim and will continue to vigorously defend our position and legal arguments. We will be filing an appeal to the Supervisory Chamber as soon as possible.”

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 seventh 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.

Neither the TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the Policies of the TSX Venture Exchange Inc.) accepts responsibility for the adequacy or accuracy of this release.

For further information please contact:

Ihor P. Wasylkiw Chief Information Officer +1 (403) 508-4953	Don D. McKechnie Vice President Finance and CFO + 1 (888) 522-8285 (Toll Free)
---	---

This news release contains forward - looking information including but not limited to comments regarding the timing and content of upcoming litigation, appeals, operations and work programs. Forward - looking information includes disclosure regarding possible future events, conditions or results of operations and legal processes that are based on assumptions and courses of action, and therefore, involves inherent risks and uncertainties. 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.