



ASX RELEASE

ADAVALE RESOURCES LIMITED

ACTIVITY STATEMENT FOR THE QUARTER ENDED 31 December 2017

CORPORATE

On 24 July 2017 the Company announced a Standby Subscription Agreement with Addchance Holdings Ltd for a \$1,000,000 facility to provide working capital to the Company. During the quarter the Company issued 12,797,618 shares raising \$150,000 utilising this facility. To the end of December 2017 \$268,157 had been drawn against this facility and 23,347,399 shares issued as a consequence. The shares are issued at 80% of 15-day VWAP prior to each drawdown. The balance of the facility amounts to \$731,843.

MANAGEMENT AND GOVERNANCE

As reported last quarter the Company entered into an agreement with its Chairman Mr Haryono Eddyarto (subject to shareholder approval) to sell the TAPAN project to Mr Eddyarto and as consideration Mr Eddyarto would extinguish all debt between the Company and Mr Eddyarto and associated companies amounting to approximately \$600,000. Full details of the transaction were included in the Notice of Annual General Meeting held on 30 November 2017, at which shareholder approval was granted for the transaction to proceed. The parties to the agreement have proceeded to implement the terms of agreement and are working through the conditions subsequent. The Directors anticipate finalising all matters in the near future.

The Company continues to retain its ownership in the Lake Surprise project.

LAKE SURPRISE

The Company holds three tenements in the Lake Surprise region. ELs 5892 and 5893 have been renewed for two years effective from 29 August 2016 and EL 5644 for three years from 17 July 2015.

No field activities were undertaken during the quarter ended 30 September 2017. At the same time the Company has continued to look for a farm-in partner or a potential sale of the leases.

TAPAN

As discussed above, by virtue of the agreement for sale of the subsidiary company PT Prima Perkasa Abadi (PPA) to the Company Chairman Mr Eddyarto, TAPAN will no longer be an asset of the Company upon completion of all conditions precedent, expected to be in place in the near future.