



11 May 2011

Company Announcements Platform
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

SIGNING OF A JOINT VENTURE PARTNERHIP IN INDONESIA

Adavale Resources Ltd ("Adavale") is pleased to announce that it has entered into a Joint Venture ("JV") to explore and mine for coal in Indonesia with Mr Haryono Eddyarto, an Indonesian national who is a well-known businessman with over 34 years' experience in the mining and coal trading industries. Adavale will have a 60% interest in the JV with the remaining 40% to be held by Mr Eddyarto.

The decision by Mr Eddyarto to form the JV with Adavale strengthens the foundation for Adavale's growth and confirms the value of its exploration effort to date. The addition of Mr Eddyarto to the Adavale corporate team is a significant step in Adavale's quest to become an efficient and successful operator in the Indonesian environment.

"I am delighted to be partnering with Adavale to create a successful and profitable coal mining operation within Indonesia and look forward to working with and growing the existing team" said Mr Eddyarto.

The JV agreement covers both existing and future projects for an initial fixed term of two years. The Tapan project is excluded and will remain in Adavale's wholly owned subsidiary Adavale Nusantara Resources ("ANR"). Any project which is not taken on by the JV, may be subsequently dealt to other parties including Adavale or ANR. A new Indonesian company will be established for the JV and will appoint Mr Eddyarto as President Director or President Commissioner. The agreed funding in the initial stages of operation is up to \$4,000,000 and will be contributed in proportion to the JV interests. These additional funds will allow the company to continue to review, acquire and develop projects. These amounts will be advanced and treated as loans. Adavale or the JV may enter into a joint operation/co-operation agreement and /or a share sale and purchase agreement with any other partner/company that may prove beneficial to the JV or Adavale.

Mr Eddyarto's current business activities include mining, media, property development and commodity trading. He has been actively involved promoting Indonesian business, having represented the Indonesian Chamber of Commerce and Industry in G-15, G-77 and the Indian Ocean Rim ARG Business Forum. Previous engagements included positions such as, Vice Chairman for Asia G-15 Federation Chamber and Commerce Industry and Services.

Mr Eddyarto maintains strong business relationships in Asian, European, African and Middle East countries and brings to the partnership a wealth of knowledge along with strong and established relationships within the Indonesian political and business community.

John Risinger
Director
Adavale Resources Limited