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

ADAVALE CONFIRMS JORC COMPLIANT 9M TONNE THERMAL COAL RESOURCE AT TAPAN PROJECT

Highlights

- **Adavale is completing acquisition of the concession holder of the IUP's on the Tapan thermal coal project, located in Sumatra, Indonesia.**
- **A JORC compliant Inventory Coal Resource of 9.05 million tonnes (Mt) has been confirmed in an 800ha portion of the concession areas.**
- **Completion of acquisition of additional concession areas adjacent to the Tapan Project will seek to increase the total area from 5,000ha to approximately 13,000ha.**
- **The original 5000ha has an inferred resource of 15million tonnes, work has now commenced on identifying the potential coal resource across the total 13,000ha.**
- **First production at Tapan scheduled for the fourth quarter of 2010.**
- **The Jambi project has been delayed to focus on Tapan.**

Adavale Resources Ltd ("**Adavale** or **Company**") is pleased to announce the successful completion of its initial JORC drilling program on its Tapan Project in Sumatra Indonesia.

As previously reported the Company was seeking to prove up a Measured Coal Resource of 5Mt. Following the drilling program an initial JORC compliant Inventory Coal Resource of 9.05mt has been confirmed in an 800ha portion of the concession area. The confirmed resource is made up of 2.15mt Measured, 1.5mt Indicated and 5.4mt Inferred.

The original Tapan concession area was approximately 5,000ha with an inferred resource of 15Mt. The Company is in the process of completing agreements that if signed will secure a total concession area of approximately 13,000ha. ADA Strategic has been commissioned to determine the potential resource over the 13,000Ha.

In accordance with its development plan, Adavale will continue its exploration program whilst developing the mine plans for this initial resource. Subject to the satisfactory completion of mine plans, cash flows and budgets Adavale will move to develop this resource in the next 6 months.

The detailed drilling and exploration program included geological and topographic mapping, drilling and selective coring of 48 holes, lithological and geophysical logging and coal quality laboratory analyses.

Raw coal samples were laboratory tested for total moisture, proximate analysis, specific energy, total sulphur and grindability index. The results of this work have provided raw coal quality specifications as defined below:

RAW COAL QUALITY ANALYSES	
Total Moisture (%)	4.0 – 10.7
Inherent Moisture (% a/b)	3.2 – 5.5
Volatile Matter (% a/b)	35.3 – 40.3
Ash (% a/b)	5.2 – 22.1
Fixed carbon (% a/b)	37.3 – 48.8
Total sulphur (% a/b)	0.56 – 3.3
Gross Calorific Value (Kcal)	5,500 – 7060
HGI	34 – 48

The analyses show that the coal is of medium to high quality. The high total moisture is due to water saturation in cleavages and inherent fractures within some coal seams.

Adavale has also been completing the acquisition of United Energy and Resources Pty Ltd (UER) (renamed Adavale Coal Pty Limited) and subsidiary PT United Mining and Engineering Services (PT UMES) (to be renamed PT Adavale Nusantara Resources) an Indonesian entity. The acquisition of UER brings with it an experienced and qualified team of both Australian and Indonesian exploration and mining professionals.

Adavale is pleased with progress to date and subject to satisfactory budgets, is looking forward to commencing mining operations as soon as possible.

Work on identifying a suitable project at Jambi has been delayed to allow the Company to focus on the Tapan Project.

Adavale is also continuing work on its South Australian uranium project at Lake Surprise and is pleased to confirm a drilling and gamma logging program is due to commence to test uranium mineralisation similar to Beverly and Beverly Four Mile. Adavale's exploration neighbor, Chalice Energy is also targeting the same mineralisation.

John Risinger
Managing Director
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Competent Persons Statements

The information in this report relates to exploration information reviewed by Dr Brian Senior, who is a Fellow of the Australasian Institute of Mining and Metallurgy and independent geological consultant to the company. Dr Senior has over 35 years of exploration and mining experience in a variety of mineral deposit styles, including uranium, base metals and gold mineralisation and he consents to inclusion of the information in this report in the form and context in which it appears. He is a Certificated Professional (Geology) and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves"