

24 October 2011

**ASX Company Announcements  
Adavale Resources Limited**

**TAPAN PROJECT SUMATRA INDONESIA**

Adavale Resources Limited (Adavale) is pleased to announce that it has finalised the agreement with the owners of the Tapan coal concession in West Sumatra and has completed the acquisition of the parent company - PPA.

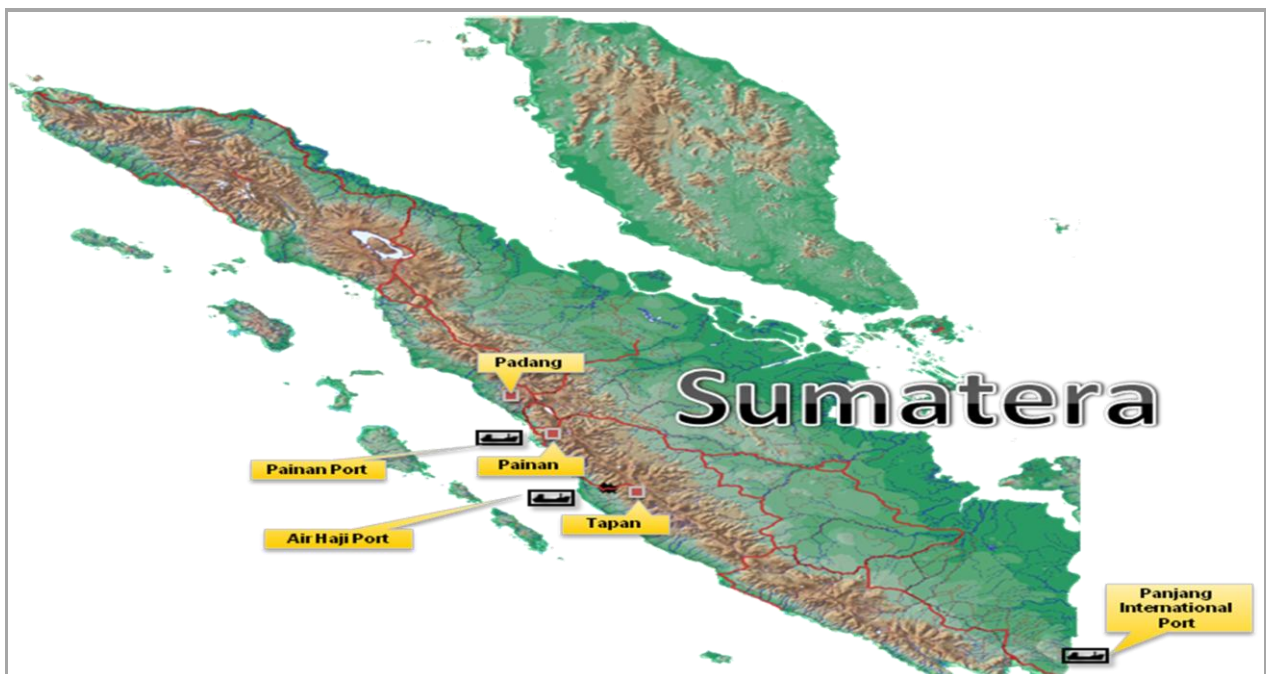


Figure 1: Tapan project - target concession areas

Adavale has carried out substantial exploration on the project including geodetic and topographical surveys, geological mapping, drilling and geophysical logging. The work was managed by a local consulting group - ADA Strategic who has generated a JORC compliant resource of 9.05Mt made up of up of 2.15Mt measured, 1.5Mt indicated and 5.4Mt inferred. This initial program was carried out in less than 20% of the concession area and a drilling and logging program to expand the resource is planned to commence as soon as a drilling rig is available.

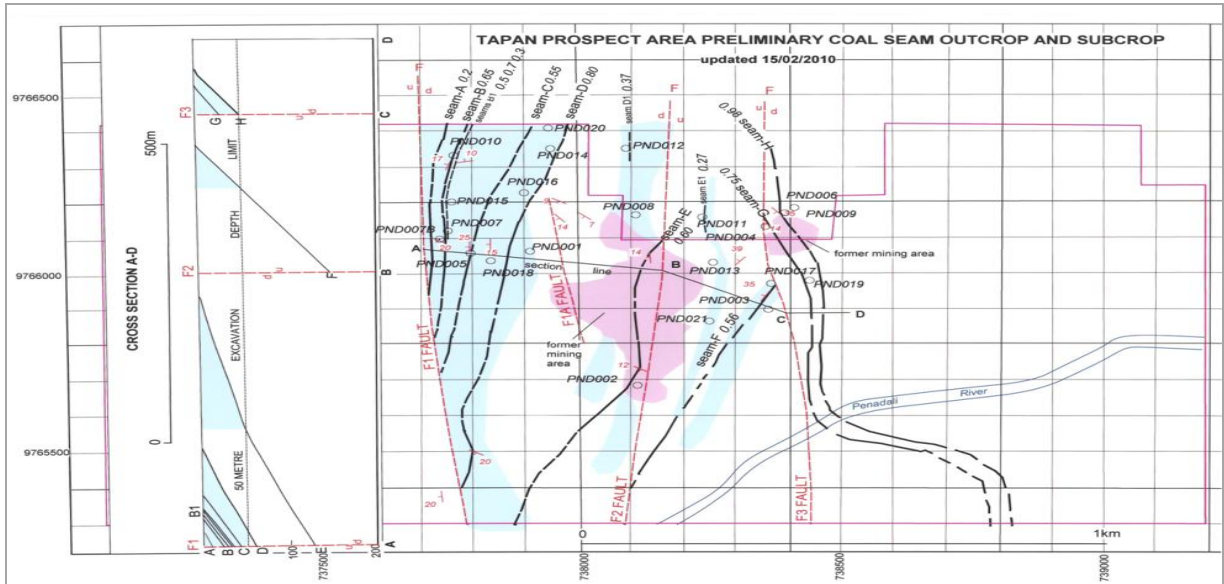


Figure 2: Preliminary coal seam outcrop and subcrop

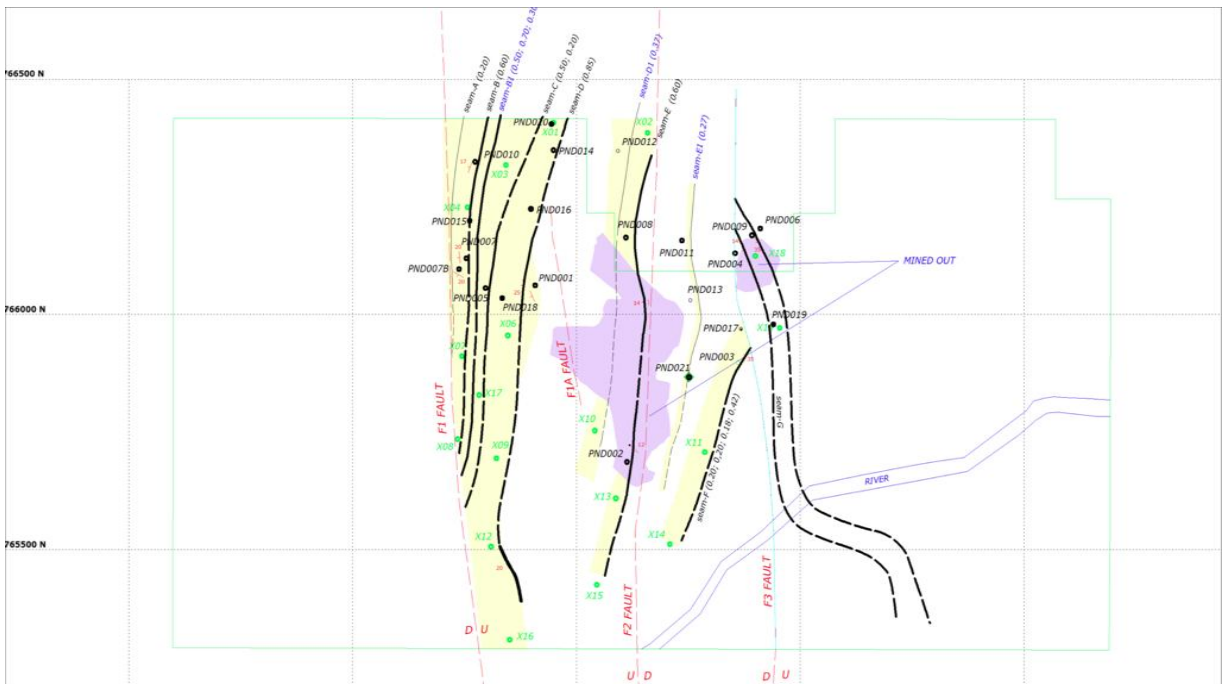


Figure 3: Outcrop and drill hole locations

Port surveys, river draft surveys and haul road and port engineering studies were also completed. Following completion of the JORC report, ADA Strategic submitted initial mine plans and models.





Port weigh bridge and office



River to open sea 1km



Jetty



Jetty

Figure 6: Proposed Tapan Project processing and jetty loading facilities.

The company has been approached by parties interested in either joint operations or contract mining and will review these proposals with the aim of determining the best approach to develop the whole of the Tapan Project.

**Competent Persons Statement**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by ADA Strategic and reviewed by Dr Brian Senior, who is a Fellow of The Australasian Institute of Mining and Metallurgy and part time independent geological consultant to the company.*

*Dr Brian Senior has over 40 years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Brian Senior consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*