A.B.N. 91 008 719 015

26 May 2011

The Manager
Companies Announcement Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

SECOND AND FINAL NOTICE - SALE OF UNMARKETABLE PARCELS OF ADD SHARES

The Directors of Adavale Resources Limited (**ASX:** ADD) (the **Company**), advise that further to the announcement made on 1 April 2011 in respect of the sale of unmarketable parcels of shares in the Company, the second and final notice has been mailed to members who held a shareholding of less than $500 or less as at the close of business on 31 March 2011 (based on a share price of $ 0.033 as at the close of trade on 31 March 2011) (**Unmarketable Parcel**).

Shareholders with an Unmarketable Parcel, who have not advised the Company of their intention to retain their shareholding in the Company and wish for their holding to be excluded from the sale, must lodge a Notice of Retention Form, which was sent to shareholders holding an Unmarketable Parcel on 11 April 2011, before 2 June 2011.

After 2 June 2011, the Company will arrange for the sale of all Unmarketable Parcels in respect of which a Notice of Retention Form has not been received.

As at 31 March 2011, the company had 4,930 shareholders of which 4,107 held an Unmarketable Parcel. Those holdings, which total 3,295,270 shares represent 1% of the Company's total issued shares.

Please contact the Company on +61 2 9227 8900 or the Company's share registry on 1300 850 505 (inside Australia) or on +61 3 9415 4000 (outside Australia) if you have any queries about lodging the Notice of Retention Form or the practical operation of the Unmarketable Parcel sale facility.

Yours Faithfully
Adavale Resources Limited
Ms. Sylvie Dimarco
Company Secretary