AVENUE RESOURCES LIMITED

Announcement to the Australian Securities Exchange - October 26, 2010

Avenue to commence drilling at the Gidgee Project – 1,800m RC and 1,300m aircore drilling planned on Gateway JV tenements

Avenue Resources Limited ("Avenue" or "The Company") is pleased to announce that drilling on the Gidgee Project in the northern Yilgarn of Western Australia is to commence with one reverse circulation and one aircore rig due to mobilise to site by the end of this week.

Avenue is earning into two groups of tenements under two earn-in agreements with Gateway Mining Limited ("Gateway"), with one group currently held 100% by Gateway (Avenue earning 80%) and the other group held 85% by Gateway and 15% by Goldfan Limited, a wholly owned subsidiary of PT Bumi Resources (Avenue earning 70%).

The Project is situated over the Gum Creek Greenstone Belt, in a region that has historically produced over 1 million ounces of gold, largely from the Gidgee gold mining centre to the west of the project area. A number of shallow open pits within the JV tenements produced approximately 100,000oz of oxide gold in the late 1980's to early 1990's.

The Company plans to drill approximately 1,300m of aircore and up to 1,800m of reverse circulation drilling on a number of prospects as shown in figure 1. These targets are all considered highly prospective for gold mineralisation.

The targets include:

- Rosie Northeast (Avenue earning 70%) - 600m of RC drilling in three holes planned to follow up geophysical anomalies and an open intersection of 102m @ 0.42 g/t Au in a historic drillhole,
- Whistler (Avenue earning 70%) - 400m planned to test for repeats and extensions to a current 24,800oz JORC-compliance resource under the historically mined Whistler open pit,
- Montague-Boulder (Avenue earning 70%) - 600m of RC drilling in three holes planned to test for mineralisation under the previously mined Montague-Boulder pit
- Western tenements (Avenue earning 80%) - up to 1,300m of aircore drilling in thirteen holes planned to test a number of EM geophysical anomalies in an area of only limited previous work
- Victory Well (Avenue earning 80%) – up to 200m of RC drilling to test gossanous outcrops and EM anomalies

It is expected that the drilling will take 2½ to 3 weeks, with initial assay results expected in early December.

For any enquiries please contact Mark Gordon (Consultant Geologist) on 0437 867931, else Michael Cawley (Director) on 02 93771500.

Any information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Mark Gordon, a consultant to Avenue Resources, a Member of the Australasian Institute of Mining and Metallurgy (CPGeo) and the Australian Institute of Geoscientists. Mr. Gordon has a minimum of 5 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". Mr. Gordon consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

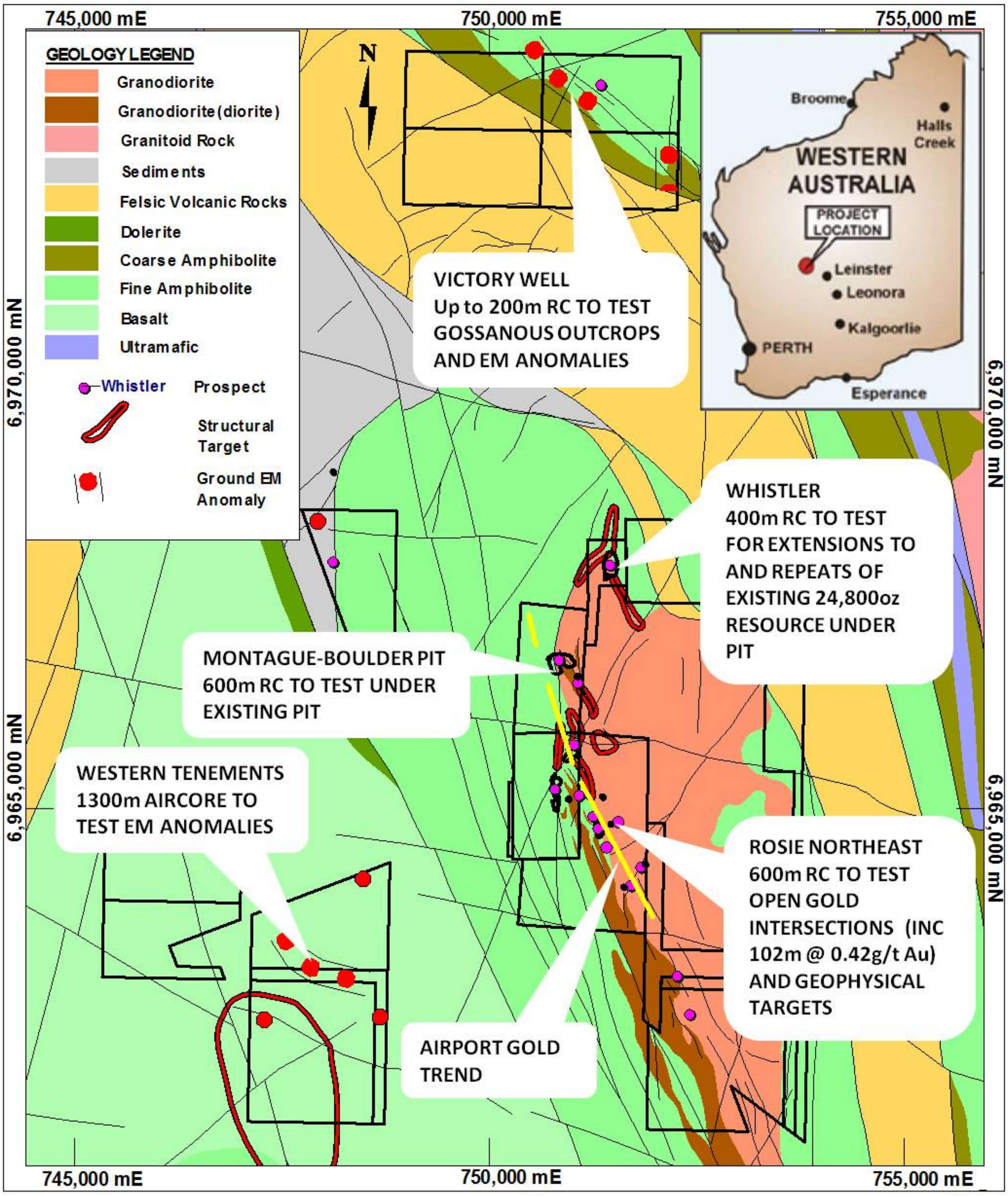

Figure 1: Gidgee Project area, showing Joint Venture tenements, geology and drill targets