

12 May 2009

Australian Stock Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sir / Madam

**RE: AVANCO RESOURCES LIMITED – COMPLETION OF ENTITLEMENT
OFFER**

Please be advised that Avanco Resources Limited (the Company) has received applications for 143,963,351 shares and 71,981,676 options pursuant to the Entitlement Issue Prospectus dated 6 April 2009. The Company has notified the Underwriter to the offer the shortfall of 79,531,216 shares and 39,765,608 options.

The Company will now proceed with the allotment process and dispatch holding statements for the applications according to the timetable included in the prospectus.

The Company will proceed with the allotment process and dispatch of holding statements for the shortfall as soon as possible after the applications have been received and funds have cleared.

Yours faithfully

Scott Funston
Company Secretary
AVANCO RESOURCES LIMITED