



ASX RELEASE

21 April 2008

ENTITLEMENT ISSUE OF OPTIONS

The Board of Directors of Avanco Resources Limited (ASX Code: **AVB**) is pleased to announce that it will undertake a pro-rata non-renounceable entitlements issue of options to shareholders as foreshadowed in its IPO Prospectus (**Offer**).

The Company has lodged a prospectus with the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) for the issue of up to 55,000,003 options on the basis of one (1) option for every one (1) share held by shareholders at an issue price of 1 cent per option (**Prospectus**). The options will have an exercise price of 20 cents and will expire on 30 June 2010.

All shareholders registered as at 5.00pm (WST) on 29 April 2008 are entitled to participate in the Offer. The Prospectus and a personalised acceptance form will be dispatched to eligible shareholders (registered on the record date of 29 April 2008) on or around 1 May 2008.

Eligible shareholders who wish to subscribe for options will need to complete and return the personalised acceptance form that will accompany the Prospectus.

The closing date for acceptances is anticipated to be 5.00pm (WST) on 15 May 2008 (unless the Offer is extended) and the Company will apply to ASX for official quotation of the options.

The Offer is fully underwritten by the Directors of the Company who will not receive any fees for providing the underwriting. The Offer will raise a total of \$550,000 (before expenses) to be applied towards exploration and working capital.

The Prospectus will be available at the Avanco Resources Limited website at www.avancoresources.com.

Event	Date
Lodgement of Prospectus with the ASIC	18 April 2008
Notice to Shareholders	21 April 2008
Shares quoted on an "ex" basis (date from which securities commence trading without the entitlement to participate in the Offer)	22 April 2008
Record Date for determining Shareholder entitlements (date for determining entitlements of eligible shareholders to participate in the Offer)	29 April 2008

General Meeting of Shareholders	30 April 2008
Opening Date and dispatch of Prospectus to Shareholders	1 May 2008
Closing Date of Offer	15 May 2008
Options quoted on a deferred settlement basis	16 May 2008
Notify ASX of under subscription	20 May 2008
Underwriters to subscribe and pay for Shortfall	21 May 2008
Company to issue Shortfall to Underwriters	23 May 2008
Allotment and dispatch of holding statements	23 May 2008

An Appendix 3B in respect of the Offer accompanies this announcement.

Matthew Wood
Chairman
Avanco Resources Limited