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AVOCA WELCOMES DIORO'S ACCEPT RECOMMENDATION

ASX200 gold producer, Avoca Resources Limited (ASX:AVO) (**Avoca**), welcomes yesterday's announcement by Dioro Exploration NL (ASX:DIO) (**Dioro**) that the independent Directors of Dioro unanimously recommend that Dioro shareholders **ACCEPT** the Avoca offer for their shares¹.

Moreover, Avoca is pleased to note that KPMG, the independent expert retained by Dioro, has found that Avoca's offer is, on balance, **FAIR and REASONABLE** and that each of the independent Directors of Dioro has indicated that they intend to **ACCEPT** Avoca's offer for their own shares¹.

Avoca's offer is \$0.65 in cash plus 0.325 Avoca shares for every 1 Dioro share. Based upon yesterday's closing price for Avoca shares of \$1.63, this values each Dioro share at \$1.18. Avoca's offer is unconditional and Avoca is offering accelerated payment terms meaning Dioro shareholders will be sent cash and shares within 3 days of receipt of a valid acceptance by Avoca.

Avoca Chairman Robert Reynolds said this recommendation was a major vote of confidence in Avoca from Dioro's independent Directors.

"Avoca looks forward to welcoming new shareholders to our register and providing investors with the opportunity to participate in the growth of a leading ASX200 gold producer." Mr Reynolds said.

"Importantly, Avoca's offer opened on 28 January 2010 and is final as to both price and timing and will therefore close at 5.00pm (Perth time) on Tuesday 2 March 2010 and cannot be extended by Avoca. Therefore, to take advantage of the Avoca offer for their shares, Dioro shareholders should **ACCEPT** this offer prior to it closing."

If Dioro shareholders have any queries, they should contact the Avoca Offer Information Line on 1800 423 047 (from within Australia) or +612 8986 9356 (from outside Australia).

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¹ In the absence of a superior offer.

Avoca Background

Avoca is an ASX 200 gold mining and exploration company based in Perth, Western Australia. Avoca has grown rapidly since its listing in 2002, and its acquisition of the Higginsville exploration project in 2004, located 130km south of Kalgoorlie.

Following the discovery of the Trident underground gold mine at Higginsville in late 2004, and the subsequent construction of the Higginsville Gold Project which included a new 1 million tonne per annum CIL treatment facility built on time and under budget; it poured its first gold bar on 1 July 2008. The time taken from exploration project acquisition to gold pour was four years. Presently, Trident is Western Australia's third largest underground gold mine and has recently delivered its third quarter of +50,000 ounce record gold production. Avoca remains confident it will produce 190,000+ ounces of gold in FY2010 at an operating cash cost of A\$452 per ounce (not including royalties).

Avoca has a highly credentialed management team with considerable expertise in exploration, project development and underground mining. Avoca's managing director, Rohan Williams, has more than 15 years experience in the region having worked as a geologist at the +15 million ounce St Ives field immediately north of Higginsville, and the +6 million ounce Norseman field immediately to the south.

The Avoca Board is confident that its management team will continue to expand and develop the existing 1.45 million ounce Higginsville resource base into realising its goal of a +10 year mine life for Higginsville.