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## HALF-YEAR PROFIT GUIDANCE – \$40.5 MILLION MAIDEN PROFIT

ASX 200 gold producer, Avoca Resources Limited (ASX:AVO) is pleased to advise shareholders that its **unaudited pre-tax half-year result for the 6 months ended 31 December 2009 is \$40.5 million** – this result is significant as it represents Avoca's maiden profit result.

Avoca's Managing Director, Mr Rohan Williams, said today that "the unaudited \$40.5 million profit for the 6 month period to the end of December is a fantastic result and a credit to all of the operational teams at Trident. It represents a 140% increase in revenue over the corresponding period in 2008."

Mr Williams added "Avoca and its Higginsville operation are performing above expectations and we are confident that the Company will continue to grow and become Australia's premier mid-tier gold producer."

In accordance with ASX Listing Rule 3.1, this announcement confirms Avoca's expectation of a material upward variation in its half-year profit when compared to the corresponding reporting period in the prior year. Table 1 below provides an unaudited summary of Avoca's key financial and operating performance for the 2008 and 2009 half-yearly periods.

	Dec Half 2009 Estimate \$'000	Dec Half 2008 Actual \$'000
<b>Financials:</b>		
Gold Revenue	120,900	49,991
Profit / (Loss) before tax	40,566	(21,001)
Net profit / (Loss) after tax	29,384	(14,653)
<b>Production:</b>		
Gold sales (ounces)	102,132	45,342
Gold recovered (ounces)	101,536	49,622

**Table 1:** Unaudited financial result for the December 2009 half-year.

Avoca's half-yearly financial statements have not yet been audited, however the upward variation in operating results for the half-year is due to the commencement of steady state operations at Higginsville following a successful ramp up in production.

The unaudited December 2009 half-year operating result does not include a potential fair value gain (non cash) adjustment to the book value of the Company's investment in Dioro Exploration NL as a result of the application of the relevant accounting standard.

Avoca's financial statements for the half-year will be released to the ASX before the end of February 2010, and is subject to the completion of the half-yearly tax and audit review.

For further enquiries, please contact:

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### ***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.

In the period of just four years following its acquisition of Higginsville, Avoca discovered the Trident ore deposit, completed a feasibility study, commenced mine development, constructed and commissioned a new 1 million tonne per annum CIL treatment facility (built on time and under budget) and poured its first gold bar.

Presently, Trident is Western Australia's third largest underground gold mine and is forecasting gold production of 190,000+ ounces 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.

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.