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NEWS RELEASE

December 15, 2008

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Avalon Announces Closing of \$1.5 Million Private Placement

Avalon Ventures Ltd. TSX: AVL (the “Company”) is pleased to announce that the non-brokered private placement of flow-through common shares (the “Shares”) announced on November 27, 2008, closed today with the issuance of the Shares to the subscribers. A total of 3,000,000 Shares were issued at a price \$0.50 per Share for gross proceeds of \$1,500,000. Following the issuance of the Shares, the Company now has 67,649,748 common shares outstanding (76,737,998 on a fully-diluted basis) and cash resources of approximately \$10.0 million.

In connection with this private placement, the Company paid cash finder’s fees totaling \$99,375, being 7% of that portion of the gross proceeds sold to the purchasers by the finders. In addition, the Company issued 198,750 Finder Warrants (being 7% of the Shares sold to the purchasers by the finders) to acquire an equivalent number of common shares for a period of two years from closing at an exercise price of \$0.50 per share.

The Shares, and any shares issuable on exercise of the Finder Warrants, are subject to a four month hold period expiring on April 16, 2008.

Proceeds from this private placement are intended to be used by the Company to fund additional diamond drilling and other eligible exploration work on the Lake Zone Rare Earth Elements deposit on its 100% owned Thor Lake rare metals project, located near Yellowknife, NWT.

About Avalon Ventures Ltd.

Avalon Ventures Ltd. is a Canadian junior mineral exploration and development company, with a primary focus on rare metals and minerals with high technology applications related to electronics, energy efficiency and a cleaner environment. Avalon currently holds a portfolio of five such projects, including three that are at, or close to, the feasibility stage. Shares Outstanding: 67,649,748. Cash resources: approximately \$10.0 million.

To find out more about Avalon Ventures Ltd. (TSX: AVL), please visit our website at www.avalonventures.com. This news release is available on the Company’s official on-line

investor relations site for investor commentary, feedback and questions. Investors are invited to visit the “Avalon Ventures” IR Hub at <http://www.agoracom.com/ir/avalon>. In addition, investors are invited to e-mail their questions and correspondence to AVL@agoracom.com or phone Don Bubar, P.Ge. President, at 416-364-4938.

This news release contains forward-looking information and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information.