

Austindo Resources Corporation N.L.

www.austindoresources.com.au

QUARTERLY REPORT: Three months ending 31 March 2006

HIGHLIGHTS

Construction at the Cibaliung Gold Project marks an important milestone for Austindo with gold production scheduled to begin in the 1st Quarter of 2007.

Cibaliung Gold Project – Indonesia

- Dismantling of the Mount Olympus gold processing plant in Western Australia was completed during the quarter.
- A transportation contract with Westlink Logistics Pty Ltd was finalised for the shipping of the processing plant to Indonesia and the majority of the processing plant was transported to Port Hedland.
- Preparation of the Box Cut is substantially completed in anticipation of arrival of road header to commence decline development.
- Upgrading of public access roads was undertaken in the quarter and Project Camp facilities were commissioned.
- Bulk earthworks were initiated on site during the quarter.
- Aker Kvaerner substantially completed pre-engineering for the relocation of the gold processing plant to Indonesia and PT Petrosea were engaged to provide detailed engineering in respect of the re-erection of processing plant on site.

Project Generation - Indonesia

The Trenggalek exploration area in East Java, Indonesia was granted in which Austindo has a 95% joint venture interest.

The Anglo American Group plans to initiate a 4000m drilling program at the Aisasjur Project in Papua in June 2006.

Expenditure

Exploration and pre-development expenditure in Indonesia during the quarter totalled A\$8,186,000.

Additional Funding

After the quarter the Company announced that it had successfully undertaken a placement of 218 million shares at 5.5 cents per share to raise A\$12 million.

The funds will be used for a significantly increased exploration program in Indonesia, working capital purposes and to fund modest cost overruns associated with the development of the Cibaliung Gold Project.

Increased exploration will commence immediately on all three of the Company's permit areas on Java. Exploration at Cibaliung will be focussed on the discovery of additional resources. The Pekalongan (Central Java) and Trenggalek (East Java) Projects, in which Austindo has a 95% joint venture interest, both have multiple prospects which are currently being assessed ready for selection of drilling priorities.

On 26 April 2006 the Company announced the appointment of Mr Brad Wake as Exploration Manager in charge of the Company's exploration programs in Indonesia.

CIBALIUNG GOLD PROJECT – INDONESIA (89.75% as at 31 Dec 2005)

The Company's development focus in Indonesia is the Cibaliung Gold Project which is operated by PT. Cibaliung Sumberdaya, a joint venture company established between the Company and PT. Antam Tbk.

Cibaliung is located in Banten Province near the western tip of the island of Java, 150km south west of Jakarta. In accordance with the terms of the joint venture agreement, the Company's interest in the Cibaliung Project as at 31 December 2005 stood at 89.75%.

During the quarter PT Antam Tbk confirmed its intention to contribute to the 2006 expenditure budget in respect of the Cibaliung Gold Project in order to maintain its 10.25% interest in the project.



The Company completed the dismantling of the gold processing plant at the Mount Olympus Mine in Western Australia and the majority of the plant was transported to Port Hedland during the quarter ready for shipping to site in Indonesia.

Aker Kvaerner substantially completed engineering services associated with the dismantling, transportation, re-erection and plant modifications (including the addition of an elution circuit, detox unit, gold room and backfill plant).

PT Petrosea was engaged to provide pre-engineering services for the re-erection of the processing plant and construction of the project.

Preparation of the Box Cut was substantially completed in anticipation of the arrival of a road header to commence decline development.

Upgrade of public access roads was undertaken during the quarter and the first stage of the Project Camp facilities were completed and are now occupied. Bulk earthworks were also initiated on site during the quarter.

Cibaliung Exploration

Exploration activity at Cibaliung continued during the quarter with a program undertaken to overlay previous MMI results with updated structural models. This work identified some correlations which are being used to further refine drill targets.

Further trenching and mapping of locations defined by updated structural models was also undertaken to ascertain whether more detailed site specific investigations were warranted.

An extensive diamond drilling program is proposed which will commence late in the current quarter to test new target areas within the existing mine project area. This program will seek to identify additional reserves and resources with the aim of increasing annual production and mine life at Cibaliung.

Expenditure

Expenditure in relation to the development of the Cibaliung Gold Project totalled A\$8,112,000. Expenditure in relation to Cibaliung Exploration totalled A\$38,000.

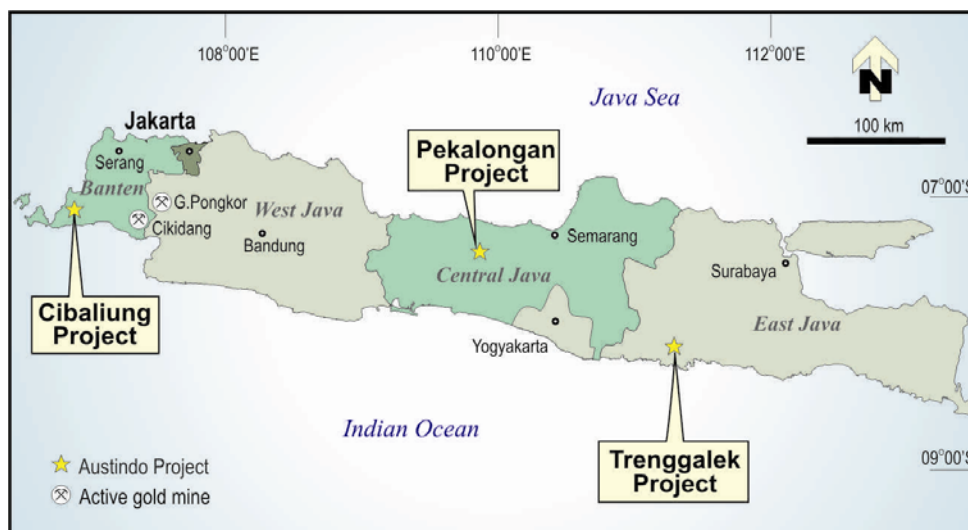
PROJECT GENERATION – INDONESIA

Total Expenditure on exploration and evaluation (excluding Cibaliung) in respect of new project generation in Indonesia totalled A\$36,000 during the quarter.

Java

Pekalongan Project, Central Java (ARX – 95%)

Exposure mapping and geochemical sampling were undertaken at Pekalongan during the quarter. Multiple prospects have been identified and a drilling program is expected to commence in the near future to test for high grade epithermal gold/silver deposits similar to the Cibaliung Gold Project.



Trenggalek Project, East Java (ARX – 95%)

The Trenggalek exploration area in East Java, Indonesia was granted during the quarter. The project area covers 17,586 Ha and is prospective for low sulphidation epithermal gold/silver deposits similar to the Company's developing gold project at Cibaliung.

Several potential gold bearing areas have been delineated in the first stage of exploration at Trenggalek.

Sampling from surface outcrops at three prospects within the project area provided very encouraging results including the following:

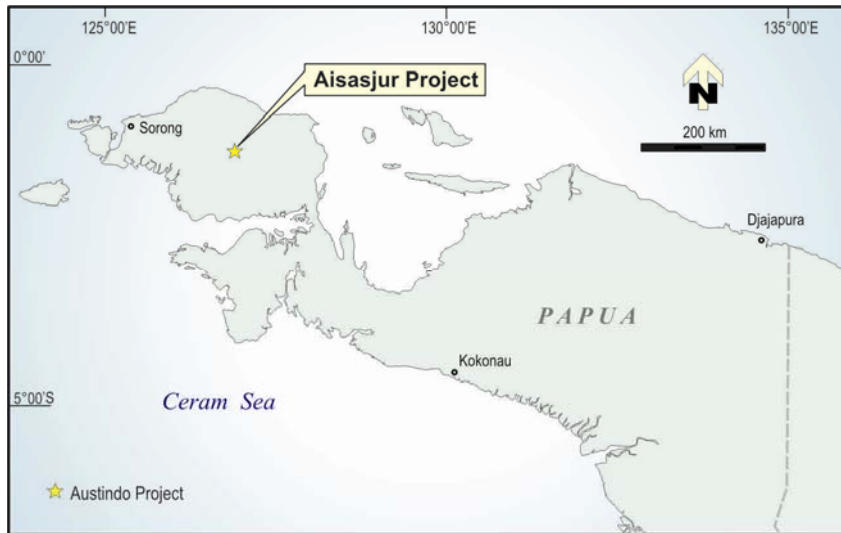
- Dalang Turu Prospect is characterized by mineralized quartz-adularia veins and veinlets (or stockwork) covering an area of 300m x 500m; and hydrothermal eruption breccias. Both contain some high grades of gold with values from rock chip sampling ranging from less than 1 g/t Au to 12.7 g/t Au.
- Sentul Prospect, where two main NNE trending quartz veins over a total length of 4 km and 1 to 8 m thick have been defined. Grades from rock chip sampling in the southern part of Sentul West Vein vary from 2.0 - 4.5 g/t Au over widths up to 8m.
- Paces Prospect is the possible source of several high grade rock float samples identified downstream. Three rock float samples collected along Duren River, which drains to the north, yielded very encouraging results; i.e. 14g/t Ag, 15.7 g/t Au and 30.1 g/t Au.

The next stage of exploration at the Trenggalek Gold Project will involve detailed field mapping of these three prospects with a view to planning the first stage of diamond drilling which will commence mid 2006.

Papua

Aisasjur Project - Anglo Strategic Alliance (ARX – 20%)

The Company has a strategic alliance with the Anglo American Group to explore for large copper/gold porphyry deposits in Papua. The Company has a 20% joint venture interest in the Aisasjur Project while the Anglo American Group has the obligation to fund all exploration activities pursuant to the terms of the strategic alliance.



The Aisasjur Project covers an area of 9,486 hectares in the Kepala Burung area of Papua. Geologically, the project area lies within one of the Indonesia's young Tertiary volcano-plutonic arcs which are prospective for both porphyry copper-gold and epithermal gold mineralisation styles.

A drilling supply contract has been negotiated and a 4000m drilling programme is planned to commence at the Aisasjur Project in June 2006.

Ian Price
Managing Director & CEO
28 April 2006

ABOUT AUSTINDO RESOURCES CORPORATION NL (ARX)

Formed in 1983, Austindo Resources Corporation NL is an Australian listed gold company focused on developing projects in Indonesia. The company's key project is Cibaliung, a high-grade epithermal gold/silver vein system located southwest of Jakarta in Banten Province, western Java. Cibaliung is expected to produce at an annual rate of 70,000 oz (gold equivalent) with an average life of mine cash operating costs of approximately US\$200 per ounce.

Two key strategic alliances in Indonesia are taking Austindo closer to achieving its growth objective. In association with Anglo American Group, the Company is exploring for large porphyry copper/gold deposits in Papua. In addition the Company has a 95% joint venture interest with PT Sumber Mineral Nusantara in the Pekalongan and Trenggalek tenements located in Central and East Java respectively, areas prospective for low sulphidation epithermal gold/silver deposits similar to the Cibaliung project.