

9 March 2007

AUSTINDO COMPLETES PLACEMENT OF A\$5.16 MILLION
AS INTERIM FUNDING FOR CONTINUED DEVELOPMENT
OF THE CIBALIUNG GOLD PROJECT

Austindo Resources Corporation NL (“ARX” or the “Company”) is pleased to announce that Austock Corporate Finance Limited has successfully undertaken a placement of 344.0 million ordinary fully paid shares in the Company at 1.5 cents per share to raise A\$5.16 million (“Placement”).

The funds will be used for ongoing working capital and costs, including holding costs, associated with the development of the Cibaliung Gold Project in which ARX has a 89.75% interest.

Placement

The placement has been made to institutional and sophisticated investors pursuant to Section 708 of the Corporations Act 2001.

All of the shares to be issued under this placement will rank pari passu with existing ordinary shares.

The placement has been structured as follows:

- Tranche 1 – comprised of 193.1 million shares placed using the balance of the Company’s 15% placement capacity, raising A\$ 2.90 million; and
- Tranche 2 – comprised of 150.9 million shares placed subject to shareholder approval to raise A\$2.26 million.

Tranche 2 includes shares allotted to interests associated with Mr. Bruce Watson, a related party participating in the Placement on the same basis as other parties. Mr. Watson’s participation is subject to shareholder approval as he is the Chairman of the Board of Directors. It is anticipated that shareholder approval will be sought at a general meeting to be held in April 2007. The Notice of Meeting will be despatched to shareholders shortly.

SEASAF Convertible Note

On 5 March 2007 the Company advised that it had agreed non-binding indicative terms and conditions in respect of a Convertible Note Facility to raise US\$20 million (with provision for oversubscriptions up to a further US\$5 million) with South East Asian Strategic Assets Fund (“SEASAF”) and its advisor CIMB-Standard Strategic Advisors Pte Ltd of Singapore in co-operation with Austock Corporate Finance Limited.

Funds raised pursuant to this Facility will primarily be applied to the completion of the Cibaliung Gold Project.

In accordance with the Term Sheet agreed with SEASAF the Convertible Notes have a five year term and are convertible into ordinary fully paid shares (at the option of the holder) at any time. The Conversion Price has been adjusted to take into account the dilutionary effect of the Placement referred to herein. As a result the Conversion Price has reduced from US\$0.018263 per share to US\$0.017090.

Draw down of the Convertible Note Facility is subject to the successful finalisation of formal documentation and the satisfaction of a number of conditions precedent, including, but not limited to, shareholder approval and the preparation of a new engineering/mining plan covering for the decline development, steps to be taken to the start of ore extraction and methodology required to ramp-up to full production. Funds raised from the Placement referred to herein are to provide the Company with working capital while these conditions precedent are being satisfied.

Update - The Cibaliung Gold Project

The Cibaliung Gold Project is being developed by PT Cibaliung Sumberdaya – a joint venture company in which ARX holds an 89.75% interest and PT Antam Tbk (“Antam”) holds a 10.25% interest.

Cibaliung is located in Banten Province near the western tip of the island of Java, 150km south west of Jakarta.



Key development and production parameters for the Cibaliung Gold Project are:

- Mine life of 6 years with a production rate of 220,000 tonnes per annum with recovery of gold and silver by a conventional CIL processing plant;
- Mining will be by conventional underground cut and fill stoping with decline access;
- Annual production of approximately 70,000 ozs gold equivalent;

Erection of the gold processing plant is approximately 80% complete. SAG Mill installation has commenced and bearing plates have been installed. Foundations for the crusher are also 80% complete. Substantive construction work will resume when funding via the Convertible Note Facility referred to above becomes available.

In the meantime all major works on site are on hold in order to conserve cash while an appropriate mining plan is being developed in order to achieve access to the ore bodies at the earliest opportunity and conditions precedent in respect of the Convertible Note Facility are being satisfied.

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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).

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.

BOARD OF DIRECTORS

Bruce Watson – Chairman

George Tahija – Non-Executive Director

John Carlile – Non-Executive Director

Christopher Melloy – Non-Executive Director