

AUSTINDO ANNOUNCES PLACEMENT TO FUND
INCREASED EXPLORATION ACTIVITIES IN INDONESIA

AND

ADDITIONAL COSTS IN DEVELOPMENT OF 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 218 million ordinary fully paid shares in the Company at 5.5 cents per share to raise A\$12 million (“Placement”).

The funds will be used for a significantly increased exploration program in Indonesia and to fund modest cost overruns associated with the development of the Cibaliung Gold Project in which ARX has a 89.75% interest. In addition, funds raised will provide working capital for group activities and a working capital buffer which the Company considers important given its increased level of activities.

- Construction of the Cibaliung Gold Project is now advancing. The development is being funded by equity from each of the project partners and project finance in the amount of US\$26 million provided by ANZ Investment Bank. The first drawdown of the bank project finance occurred on 6 April 2006.
- The Company has recently significantly advanced its gold exploration goals with the granting of two new exploration permits on Java. Early results have been encouraging and the Company is planning to commence aggressive exploration programs at both areas.

Placement

The placement has been made to institutional and sophisticated investors pursuant to Section 708 of the Corporations Act 2001. The Company is pleased to report that demand for the placement was strong and that a number of new Australian and offshore institutions participated in addition to some of the Company’s existing major shareholders.

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 59 million shares placed using the balance of the Company’s 15% placement capacity, raising A\$3.245 million; and
- Tranche 2 – comprised of 159.2 million shares placed subject to shareholder approval to raise A\$8.755 million.

In addition to tranche 2, shareholders will also be asked to approve the issue of shares to the related parties participating in the Placement including Mr. John Carlile and Mr. Bruce Watson who are both Directors of the Company. It is anticipated that shareholder approval will coincide with the Company’s Annual General Meeting to be held in Melbourne on Tuesday 23 May 2006. The Notice of Meeting will be despatched to shareholders shortly.

Use of Proceeds

The total of \$12 million to be raised from the Placement will fund:

	A\$ million
Cost overruns associated with the development of the Cibaliung Gold Project.	3.30
Further exploration at Cibaliung, Trenggalek and Pekalongan and in Indonesia.	3.00
Ongoing general working capital including costs associated with the placement.	3.45
An additional working capital buffer	2.25
Total	12.00

Update - The Cibaliung Project

The Cibaliung Project is being developed by PT Cibaliung Sumberdaya – a joint venture company in which ARX was entitled to an 89.75% interest as at 31 December 2005 and PT Antam Tbk (“Antam”) held 10.25% interest.

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;
- Average life of mine cash operating costs in the order of US\$200/oz.

Highlights of development to date include the following:

- The Mount Olympus Treatment Plant previously acquired from Sipa Exploration NL has been successfully dismantled and transported to Port Headland for shipping to Indonesia;
- Project site camp has been constructed;
- Site earth works have commenced;
- Access roads and bridge construction is underway;
- The Box Cut is nearing completion in preparation for Decline Development.

Cost overruns in the order of US\$2.4 million (approximately 6% of the original project cost) have been incurred to date, primarily relating to pre-engineering in respect of the treatment plant and costs associated with a deferral of the first gold pour date. It is now envisaged that first gold production will occur during the first quarter of 2007.

As required under the terms of the financing arrangements, ARX has entered into arrangements to hedge 185,000 ounces of gold for delivery from June 2007 to December 2010. The average price obtained was US\$651 per ounce. The Company's general policy is to remain unhedged subject to any financing obligations or operational requirements.

The current mine plan also contemplates that 2.8 million oz of silver will be produced over the life of the mine. Silver is not required to be hedged under the terms of the financing arrangements and the present intention is not to do so.

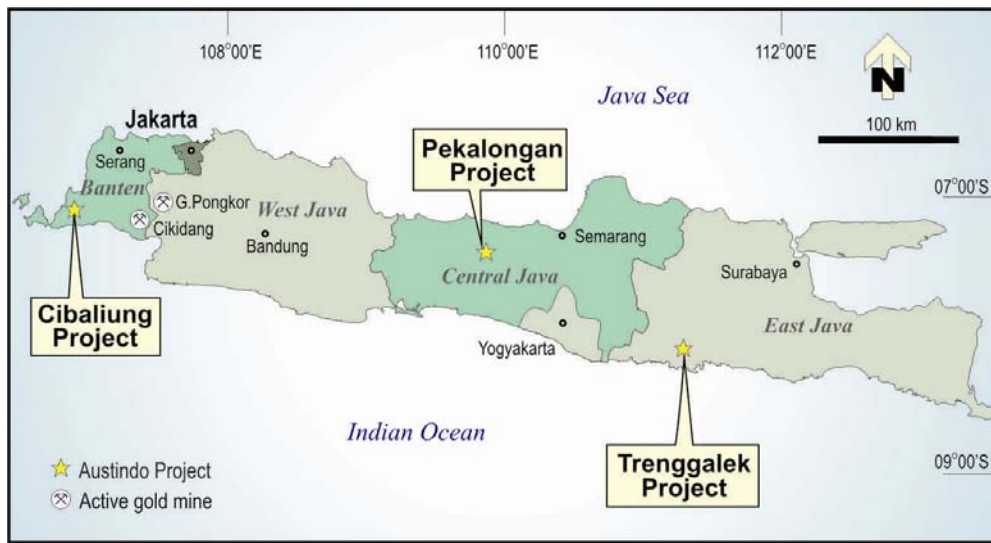
Exploration

The Company has employed a new Exploration Manager with extensive Indonesian experience to manage its increased exploration efforts in Indonesia.

In this regard, the Company has developed an exploration program in respect of each of its existing operations:

- at Cibaliung 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 to seek to identify additional reserves and resources with the aim of increasing annual production and mine life;
- at Pekalongan in Central Java (ARX 95%) multiple prospects have been identified and detailed exploration is underway 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;
- at Trenggalek in Eastern Java (ARX 95%) initial exploration has similarly identified multiple prospects that may host high grade epithermal deposits. This permit area was recently granted and facilities are being established to support an

exploration program and it is expected that drilling will commence during the second half of 2006.



To support the Cibaliung Project additional staff are being progressively recruited and trained ready for operations to commence. Additional staff have also been recruited to carry out the proposed exploration programs throughout Java. To manage and oversee its increased activities in Indonesia the Company is also actively seeking to appoint a senior Country Manager who will be based in Jakarta.

In addition, 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 while the Anglo American Group has the obligation to fund all exploration activities in Papua pursuant to the terms of the strategic alliance. Together with Anglo, the Company believes that the target area in Papua are highly prospective for large copper gold porphyry deposits and this alliance has the potential to add very significant value to Austindo.

The Company is now well placed to significantly enhance its presence as a producer and explorer in Indonesia.

Ian L. Price
Managing Director
13 April 2006