



ASX ANNOUNCEMENT / MEDIA RELEASE

18 DECEMBER 2007

CIBALIUNG GOLD PROJECT UPDATE

The following update is provided in respect of key development issues and matters relating to schedule, costs and management structure:

DECLINE DEVELOPMENT

- Decline development is continuing with total development now in excess of 550 metres;
- Development to the ore body is being undertaken on two headings to enable a greater volume of ore to be extracted. The remaining distance to the ore body is less than 62 metres on one heading and 136 metres on the other. It is now envisaged that stockpiling of ore will commence during January 2008.
- A new loader and a new jumbo drill rig are currently being mobilised to site. When this equipment is operational, the rate of advance of the decline is expected to increase.
- The Redpath Group has resumed work on the development of the Cikoneng ventilation shaft.

PROJECT DEVELOPMENT

- A Letter of Intent has been executed with PT Petrosea. PT Petrosea has commenced mobilisation to site to undertake refurbishment work and complete construction of the gold processing plant. Once fully mobilised (expected within the next 2-3 weeks), it is estimated that the refurbishment, construction and commissioning of the plant will take up to 4 months.
- Cullen Mining Services Pty Ltd have been engaged to act as Project Manager in respect of the construction and commissioning of the plant.
- Due to delays in the decline development and the longer than anticipated time involved in the refurbishment, construction and commissioning of the gold processing plant, first gold pour is now expected to occur within the second quarter of 2008.

COSTS

Project development costs have increased as summarised below:

- The Company has identified that the rise in diesel fuel prices due to global increases in the oil price coupled with the removal of Indonesian government subsidies announced on 30 July 2007 and 12 November 2007 will have a significant impact on both the development costs and operating costs at Cibaliung. The extent of the impact is still being resolved and will be confirmed at the earliest opportunity.
- There have also been significant increases in the order of US\$5.9 million in the costs associated with the refurbishment, construction and commissioning of the gold processing plant.
- Increased holding costs associated with the delay in schedule to first gold pour are expected to be in the order of US\$3.8 million.
- Increased costs associated with underground development rates and additional development metres up to first gold pour are expected to be in the order of US\$4.7 million.

- Other costs increases in the order of US\$1.3 million have also impacted the project. The resources sector worldwide continues to be subject to upwards cost pressures and stiff competition for equipment, consumables and skilled labour which ultimately manifests itself in cost increases and time delays.

FUNDING

The Company will require further funding to complete the development of the Cibaliung Gold Project. The Board is currently reviewing funding alternatives and will provide further details to the market at the earliest opportunity.

CHIEF FINANCIAL OFFICER

The Company has appointed Mr Cahyono Halim as Chief Financial Officer effective 2 January 2008. Mr Halim is resident in Jakarta and has held senior finance positions in a number of large Asian based corporations following upon a successful career in banking and finance. Full details will be made available in a separate release. This appointment will strengthen the Company's finance function, particularly in the area of cost control and forecasting.

For further information please contact:

Bruce J. Watson
Chairman

Tel: + 61 2 9236 7566
Email: bwatson@cubecorp.com.au

Andrew J. Cooke
Company Secretary

Tel: + 61 2 9419 8044
Email: andrewcooke@arx.net.au

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

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