

AUSTINDO'S GROWTH STRATEGY ON TRACK

NEW EXPLORATION AREA GRANTED

Austindo Resources Corporation NL ("Austindo") is pleased to announce that a new exploration area in Central Java has been granted in which it will have a significant joint venture interest. This represents another step in Austindo's strategy to achieve growth in Indonesia.

The new tenement area, known as Pekalongan, has been granted under a Kuasa Pertambangan ("KP") (Bupati Pekalongan Decree No. 545/90 of 2005) which is held by PT Sumber Mineral Nusantara and will be joint ventured with Austindo.

The Pekalongan KP is located near to Semarang and covers an area of 5,618ha. The Pekalongan KP area is prospective for low sulphidation epithermal gold/silver deposits similar to Company's developing gold project at Cibaliung in Banten Province, Java. Pekalongan is one of several areas that Austindo's geologist have targeted for this style of mineralisation with which Austindo has significant knowledge and expertise. Exploration at Pekalongan will start in the very near future and it is expected that targets could start to be drill tested in the second half of this year.

The granting of this new tenement forms part of Austindo's strategy to develop into a significant mining house focused on Indonesia where it has strong relationships and expertise. An application for a second area which compliments this strategy has also been lodged and is pending.

Austindo's Indonesian growth strategy is founded on:

- **Bringing the Cibaliung Gold Project (Austindo 84%) into production in 2006 with construction poised to start soon.** Cibaliung is to be funded by a combination of debt and equity and ANZ Investment Bank has obtained Credit Committee approval for a US\$26 m facility. The project is based on annual production of 70,000 ounces initially. Exploration is ongoing and increases in resources could increase the size of the project to at least 100,000 ounces per annum. Austindo also announced recently that environmental approval has been granted for the project to commence.
- **Utilising Austindo's Indonesian relationships and expertise to explore epithermal gold systems for new deposits, initially on Java.** The granting of Pekalongan KP heralds an expansion in exploration activity in Indonesia that is expected to generate new project opportunities for the Company in the future.

- **Austindo announced on 20th May 2005 the formation of a Strategic Alliance with Anglo American Group to explore for large copper/gold porphyry deposits** in the Provinces of Papua and West Irian Jaya (formerly collectively known as Irian Jaya) in Indonesia. Together with Anglo, Austindo believes that these areas are highly prospective for large copper gold porphyry deposits and the Alliance has the potential to add very significant value to Austindo - and work has now commenced in this regard.

These recent events bring together several important steps in Austindo's growth strategy.

Austindo's Managing Director Mr Ian Price said, "Indonesia's improved climate for investment has not gone unnoticed and international interest is growing. Our relationships and expertise place us well placed to develop new mining opportunities and these latest steps demonstrate our ability to deliver."

Yours sincerely,



Ian L Price
Managing Director & CEO
Austindo Resources Corporation NL
23rd May 2005