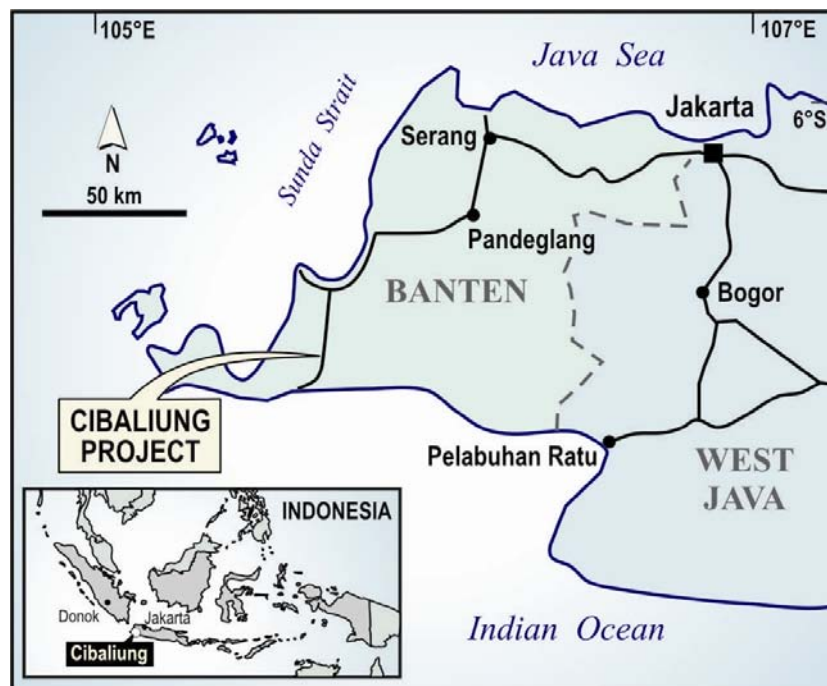


CIBALIUNG GOLD PROJECT UPDATE – 23 NOVEMBER 2006

The Cibaliung Gold Project is operated by PT. Cibaliung Sumberdaya, a joint venture company established between the Company and PT. Antam Tbk (“Antam”).

Cibaliung is located in Banten Province near the western tip of the island of Java, 150km south west of Jakarta. The Company’s interest in the Cibaliung Project as at 31 December 2005 stood at 89.75%.



Site Development and Erection of Gold Processing Plant

The erection of the processing plant is proceeding according to plan and timetable (see photo next page). It is probable, at the current rate of progress, that it will be completed ahead of schedule. At the date of this report the status of the plant is as follows:

- Site access roads and bridges have been completed
- Delivery of the plant to site has been completed
- Structural fill and foundations have been completed
- Construction of CIL tanks have been completed
- Thickener tank has been completed
- Power contract has been awarded
- The development of ventilation shafts has commenced



Capital Expenditure

On 25 August 2006 the Company reported that further investigation into the total project cost had been undertaken and independently reviewed by Behre Dolbear Australia. The process identified that additional expenditure of approximately US\$15.2 million (inclusive of new contingency of US\$2.0 million and some operating expenses during the construction period) would be necessary to complete the project.

These cost increases related primarily to an initial underestimate in the process plant re-erection cost, a re-rating of seismic factors throughout the region, poorer than expected ground conditions in the process plant area and additional costs associated with construction costs, engineering, earthworks, steelwork and process plant foundations.

On 31 October 2006 the Company reported that additional project delivery, dewatering, travel, geotechnical, site preparation, equipment, transport and camp costs had been identified amounting to approximately US\$1.9 million and additional holding costs, finance costs, project delivery costs and decline development costs pre-production amounting to approximately US\$1.4 million.

The project is continuing to experience significant cost pressure, primarily associated with the difficulties encountered in the development of the decline (previously reported in the Company's activity report released on 31 October 2006). As reported below decline development to date remains unsatisfactory.

As previously advised, the Company is currently working to finalise arrangements for additional debt and additional equity finance to complete the development of the Cibaliung Gold Project.

The ANZ Bank has indicated that it will provide an additional debt facility in the amount of US\$5m. The Company is required to raise sufficient equity funds to complete the project development before the additional debt funds will become available.

Taking into account cost increases identified to date and the continuing cost pressure associated with the development of the decline, it is envisaged that the Company will need to raise additional equity in the order of US\$20 million to complete the development of the Cibaliung Gold Project.

Further, as previously advised, the Company will be required to partially restructure its existing hedging arrangements with the ANZ Bank. Currently the Company has hedged 185,000 ounces of gold on a fixed flat (par) forward basis at a price US\$651/oz. The restructuring of the hedge book may involve an upfront premium cost or alternatively a reduction in the overall hedge price. The Company's silver production from Cibaliung is totally unhedged.

Further details in relation to project costs and funding arrangements for the Cibaliung Gold Project will be provided as details are finalised.

Decline Development

The Company reported the status of the Decline Development on 31 October 2006. For ease of reference, key sections of that report are reproduced below.

Decline development commenced on 17 July 2006. Progress to date has been slower than anticipated and slower than required for the Company to meet its targeted first gold pour of May 2007.

The Company reported on 31 October 2006 that the decline progress to date has been slow due to a variety of reasons:-

- delayed mobilisation of contractor to site;
- adverse ground conditions initially necessitating the erection of steel sets in order to properly support the opening. This is a slow process;
- the "sticky" nature of the material encountered has had the effect of clogging the roadheader's conveyor system. As a result the roadheader is required to cease operation while it is periodically cleaned. In this respect, the contractor has now modified the roadheader to partially overcome this issue;
- Insufficient skilled labour and supervision to achieve efficient operations.

Since reporting on 31 October 2006, progress has continued to be unsatisfactory for the following additional reasons:

- side wall swelling has occurred at a number of points in the decline requiring remedial work to be carried out;
- there have been delays in carrying out remedial work due to the requirement to enhance roof support to ensure that a safe working environment is established before such work is undertaken;
- sections of the decline floor have required concreting;
- the lack of a mobile shotcrete machine has impacted on efficiency;
- a large deformation has occurred at approximately the 70m mark resulting in a blockage of the decline. No injuries occurred in this incident. As the remedial work has to be

- carried out first to ensure safe working conditions, work on clearing the blockage has not yet commenced. Conditions beyond the blockage are unknown;
- some ground is known to have collapsed onto the roadheader which remains positioned at the 112m mark. It is not clear what, if any, damage there may be to the roadheader. Once the remedial work has been completed and the blockage cleared, a full assessment of the roadheader will be undertaken;
 - in conducting the remedial work and getting into a position to recommence cutting, the Company is proceeding with caution and with the safety of its personnel uppermost in mind. The Company is not prepared to compromise on this issue.

While the full extent of the blockage is unknown, based on current knowledge of the ground conditions it is expected that the remedial work will be completed, in late December 2006.

Both the remedial work and the consequent delay in the development of the decline have a significant cost impact on the project. The Company is presently completing its analysis of the likely cost impact and further guidance will be released to the market at the earliest opportunity.

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\$215 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.

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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