

5 March 2007

**TERM SHEET AGREED FOR
US\$ 20 MILLION CONVERTIBLE NOTE ISSUE**

Austindo Resources Corporation NL (“Austindo”) is pleased to announce that it has 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). Funds raised pursuant to this Facility will primarily be applied to the completion of the Cibaliung Gold Project.

South East Asian Strategic Assets Fund (“SEASAF”) and its advisor CIMB-Standard Strategic Advisors Pte Ltd of Singapore will arrange the Facility in co-operation with Austock Corporate Finance Limited (“Austock”).

It is anticipated that SEASAF (subject to its final Investor Committee approval) will participate for US\$10 million of the Convertible Note facility. It is further contemplated that participants in a US\$5 million bridging facility arranged in December 2006 will roll into the Convertible Note facility. Austock will arrange the US\$5 million balance of the facility. Oversubscriptions will be jointly managed by SEASAF Austock.

Draw down 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. It is anticipated that shareholder approval will be sought at the Company’s Annual General Meeting which is presently scheduled to be held on 18 May 2007.

The Cibaliung Gold Project is located in Banten Province near the western tip of the island of Java, 150km south west of Jakarta. The funds raised will also be utilised to reinstate corporate funds applied to the development of the Cibaliung Gold Project.

Drawdown of this facility will enable substantive work to resume at Cibaliung and ensure that gold production is achieved at the earliest opportunity.

Key Commercial Terms

The Convertible Notes will have a five year term and be convertible (at the option of the holder) at an time, at an issue price of US\$0.018263 per share, determined as a 15% premium to the US\$ equivalent of the volume weighted price of Austindo shares over the 20 trading days preceding 1 March 2007.

A Base Interest Rate of 10% per annum plus an Agency Fee of 2.0% per annum is payable over the life of the Convertible Notes payable semi-annually. The interest and agency fee may be paid in Austindo shares (at a 5% discount to market) at Austindo's election.

The term sheet also contemplates that Austindo may retire the Convertible Notes, in whole or in multiples of 20%, if after 24 months from the issue date the 20-day VWAP of Austindo shares is 50% above the conversion price (subject to a continue right of the Convertible Note holder for 10 trading days to elect to convert).

The Convertible Notes will be secured (with the consent of ANZ) over Austindo's interest in the Cibaliung Gold Project and also over all of Austindo's interest in its other Indonesian projects.

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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) 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

www.austindoresources.com.au