

AUSTINDO RESOURCES CORPORATION NL (“ARX”)
TO PURCHASE GOLD PROCESSING PLANT
FOR CIBALIUNG GOLD PROJECT

Austindo Resources Corporation NL (Austindo) is pleased to announce that it has agreed to purchase the gold processing plant located at the Mount Olympus Mine near Paraburadoo, Western Australia from Sipa Exploration NL.

Austindo has had the processing plant independently inspected revealing that it in very good condition having been on care and maintenance for the past 12 months. The processing plant will be relocated to the Cibaliung Gold Project (84% Austindo at 31 December 2004) in Banten Province western Java, Indonesia.

The purchase price of the Mount Olympus processing plant is AUD\$2.575 million. The overall cost, including modifications and transportation, is expected to be less than that allowed for in the Cibaliung Gold Project Feasibility Study where costs estimates were based on all new equipment.

Importantly the acquisition of this plant will also provide a higher degree of certainty in the timing and cost of deliverability, at a time when many other projects are being adversely impacted by rising costs and longer lead times in construction due to delays in the delivery of new equipment. The purchase includes all construction drawings, operating and maintenance history and a significant inventory of spare parts.

Austindo has made a non-refundable payment to Sipa to secure Sipa’s undertaking not to negotiate or deal with any other parties in respect of sale of the plant until 31 August 2005. This payment will be set off against the purchase price on settlement. A Contract of Sale is to be agreed for execution by the parties at the earliest opportunity.

The plant was designed (with relocatability as an underlying criterion) and built in 1994 by Signet Engineering Pty Ltd for Lynas Gold NL. It was originally located at Lynas Find south of Port Hedland operating for three years before being relocated by J R Engineering Services to the Mt Olympus site where it operated until cessation of milling in March 2004. The plant’s availability has been better than average, in large part due to the well engineered design and good maintenance and operating practices. At the time of shutdown all aspects of the plant were operational and the shutdown was conducted with a view to restarting operations. At both sites the process water was of high quality which is reflected in the

superior condition of the plant in comparison with processing plants that have operated with saline process water.

The Cibaliung Project is being developed by PT Cibaliung Sumberdaya – a joint venture company in which Austindo is entitled to an 83.76% interest as at 31 December 2004 and PT Antam Tbk (“Antam”) holds a 16.24% interest. The project is a high grade epithermal gold and silver and will operate for at least six years producing 70,000 ounces gold (equivalent) per annum based on current resources.

The Company announced on 15 June 2005 that it had successfully arranged to raise A\$16.1 million by way of placement for the development of the Cibaliung Gold Project and the Company’s exploration activities in Indonesia. With the completion of this equity funding and the US\$26.0 million (A\$34.0 million) project finance to be provided by ANZ Investment Bank, the Company will be in a position to fund the development of the Cibaliung Gold Project.

The development of the Cibaliung Gold Project will see Austindo achieve its stated objective of gold producer status.

The Cibaliung Gold Project will be the foundation of Austindo’s activities in Indonesia. In addition Austindo has recently achieved two further steps in its growth strategy when it secured a significant joint venture interest in a new exploration area in Central Java, where the target is gold silver deposits similar to Cibaliung, and by joining with the Anglo American Group in a Strategic Alliance to explore for large porphyry copper gold deposits in Papua.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian L Price', written in a cursive style.

Ian L Price
Managing Director & CEO
17th June 2005