

AUSTINDO FORMS STRATEGIC ALLIANCE
WITH ANGLO AMERICAN GROUP
TO EXPLORE FOR COPPER GOLD PORPHYRY DEPOSITS
IN PROVINCES OF PAPUA & WEST IRIAN JAYA, INDONESIA

Austindo Resources Corporation NL (“Austindo”) has entered into a Strategic Alliance Agreement (“Alliance”) with PT Minorco Services Indonesia (“Minorco”) of the Anglo American Group (“Anglo”) 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.

Key elements of the Alliance are summarised as follows:

- Anglo will sole fund exploration expenditure and has an initial 80% interest in projects while Austindo retains a 20% interest;
- Austindo is carried (not free carried) through to a Decision to Mine – with 10% of all predevelopment costs to be repaid by Austindo out of project proceeds (non-recourse to Austindo);
- If following completion of a Feasibility Study, Anglo makes a Decision to Mine then a Joint Venture shall be formed and each of Anglo and Austindo shall participate (and fund capital expenditure) according to their 80/20 project interests. Austindo dilutes if it does not contribute;
- In the event that a resource of less than one million tonnes of contained copper equivalent or 1 million ounces of gold is identified, then Anglo may elect that such project shall either revert to Austindo on an 80/20 basis (with Austindo holding 80%) or that 100% be transferred to Austindo with Anglo retaining a 2% NSR;
- The Alliance is for a initial term of 3 years;
- If interests associated with the Tahija family of Indonesia as major shareholder of Austindo cease to hold a relevant interest in at least 20% of Austindo then Anglo may require Austindo to sell its interest in the Alliance at agreed value or value determined by independent expert;

Together with Anglo, Austindo believes that the Provinces of Papua and West Irian Jaya are highly prospective for large copper gold porphyry deposits. The Alliance has the potential to add very significant value to Austindo and it looks forward to working with Anglo in this regard.

Yours sincerely
Ian L. Price
Managing Director
20 May 2005
5.15 pm AEST

