

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 10 JUNE 2010

## COMMENCEMENT OF COAL MINING OPERATIONS

Indo Mines Limited ("the Company") is pleased to advise that the Company's first coal mining operations have commenced at the Mangkok Coal Project, which is located in a major coal production area 95 kilometres north of Banjarmasin, the capital of South Kalimantan, Indonesia.

The Company is on schedule to produce 50,000 tonnes per month of high quality thermal coal by August 2010.

The Mangkok Project is an open-cut mining operation that will commence production adjacent to an area previously mined. The removal of overburden is currently being undertaken and the Company will also continue further exploration and in-fill drilling whilst in operation to identify new coal seams on the concession.

The Company is currently in negotiation with several international commodity trading groups to secure take off agreements for the Project.

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