



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 30 DECEMBER 2011

SALE OF MANGKOK COAL PROJECT

Indo Mines Limited (ASX: IDO) (**Company** or **Indo Mines**) is pleased to announce it has finalised agreement for the sale of its interest in the Mangkok Coal Project located in South Kalimantan, Indonesia to a private Indonesian group.

Pursuant to the agreements entered into:

- the Company has received US\$1.6 million cash;
- the purchaser has assumed all liabilities relating to the Project with effect from 1 September being approximately US\$2.7 million; and
- the purchaser will pay to the Company a royalty for production in excess of 450,000 tonnes at the rate of US\$6/tonne, to a maximum of 850,000 tonnes (estimated at US\$2.4 million).

As previously foreshadowed, with the operational difficulties encountered at Mangkok, the Company had decided to divest of its interest to enable senior executives to be more focused on adding value to its core iron sands assets.

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