



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 3 APRIL 2013

Update on Plans for 2013

Indo Mines Limited (ASX: IDO) (**Company or Indo Mines**) is pleased to provide Shareholders with an update on its plans for 2013.

As previously announced, following completion of the placement of shares to the Rajawali Group, a number of senior appointments were made to the management team of the Company's 70% owned subsidiary, Jogja Magasa Iron (JMI).

Subsequent to the appointments being made, an in depth analysis of the Company's short and long-term strategy has been undertaken. The review has specifically focussed on JMI's obligations as defined under the 'Contract of Works', changes in Indonesian Government legislation, local community commitments and expectations, and delivering a return on shareholder investment. The work has been ongoing, at both the operational and Board level to critically review the plans and operating structure of the group.

The business remains focussed on achieving the Company's vision to be '*Indonesia's number one producer of pig iron and associated products from iron sand*'.

As a consequence of this review, the Company will focus its attention on accelerating pig iron production. This renewed focus and emphasis will lead to a significant increase in the Company's activities relating to full scale Direct Reduced Iron (DRI) Metallurgical testing over the balance of the year. The tests will include the coal gasification of local Indonesian coal and associated ironsand reduction and smelting testwork. Further detail of the specific tests and engineering design will be made available after finalisation of contract and partnership arrangements.

A key component to achieving the successful implementation of the pig iron project is the simultaneous development of required infra-structure e.g: electric power generating capacity, port development, air separation plant, slag handling and processing. The Company is currently in discussion with potential partners and reviewing the project management and integration structure. Further information will be made available once the structure is defined.

The delivery of pig iron capability is the main priority for the Company. The project will be implemented in phases with Stage 1 targeting 500,000 tonnes of iron concentrate production capacity in the first half of 2014, climbing to the required 2 million tonnes capacity by the latter part of 2015. The pig iron plant and associated infrastructure is expected to commence operations in the first quarter 2017.

In keeping with the renewed emphasis on pig iron production and the phased approach referred above, JMI is in the process of making application for various approvals and permits for it to operate in accordance with this strategy. Consistent with this, discussions with vendor suppliers are ongoing and some orders have been placed. Further orders are expected to be placed as engineering studies progress.

Enquiries: **Martin Hacon, Managing Director & CEO**
Telephone: +64 2163 4419