



ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 17 JANUARY 2007

Appointment of Managing Director

The Directors of Indo Mines Limited are pleased to announce the appointment of Mr Philip Welten as Managing Director of the Company. Mr Welten is a mining engineer with over 28 years experience in a range of commodities including iron ore, gold, copper and uranium. He is a graduate of the Kalgoorlie School of Mines and is a member of the Australian Institute of Mining and Metallurgy.

During his extensive career in the resources sector Mr Welten has primarily worked for major mining companies including the Rio Tinto Group, North Limited, WMC, Barrick and Newmont. His background is in Operations Management, Project Feasibility and Resource Development both in Australia and overseas.

Mr Welten held the position of mine manager at Robe River Mining's Pannawonica Mesa J mine and also worked on the feasibility studies for the West Angeles Iron Ore Project. Most recently he held a senior management position at the Barrick / Newmont Joint Venture owned Superpit in Kalgoorlie.

Mr Welten's primary focus will be the continued progression of the Jogjakarta Ironsands Project in Indonesia, where his extensive experience in project feasibility and development will be a great benefit, not only for the completion of a Bankable Feasibility Study, but also for any subsequent development and commissioning of the Project.

Mr Welten is expected to commence his role with the Company in late January 2007. He will receive a salary of \$250,000 (inclusive of superannuation) and a \$50,000 bonus upon the successful completion of a bankable feasibility study for the Jogjakarta Ironsands Project.

In order to secure his engagement and to provide an incentive going forward, Mr Welten will also be granted the following options (subject to the necessary approvals):

- *1,250,000 unlisted incentive options exercisable at \$0.35 each on or before 31 December 2009, vesting after 12 months of service;*
- *1,250,000 unlisted incentive options exercisable at \$0.45 each on or before 30 June 2010, vesting after 24 months of service.*

The Directors of Indo Mines are delighted that a person of Mr Welten's experience and operational skills has agreed to join the Company, providing a further endorsement of the potential of the Jogjakarta Ironsands Project.

Enquiries-

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