

ASX: ICZ

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Strike Extends to 6km - Block 9

Highlights

- **New holes 11, 38, 39, 41, 43 and 44 extend the strike of Coal Seam A from 4.5km to 6.0km.**
- **Coal Seam A has now been confirmed from 28 core holes over a strike distance of 6.0 kilometres from surface to a vertical depth of 120 metres and from 400m to 600m down dip from outcrop. The average intersected thickness of Coal Seam A is 9.8 metres.**
- **A further twelve (12) HQ core holes for the Block 9 resource drilling program have been completed. 8 holes intersected Coal Seam A and 4 holes have intersected Coal Seam B.**
- **Both Coal Seam A and Coal Seam B show excellent continuity down dip and along strike as well as consistent thicknesses.**
- **Below Coal Seam B an additional 5 coal seams have been discovered by this drilling. This substantially increases the volume of coal on Block 9.**
- **8 rigs have now completed 6,000m of drilling. These 8 rigs to continue with the 9,000 metre HQ coring program.**
- **Wire-framing and modelling of the drilling data for Coal Seam A has begun as part of the resource estimation process.**
- **Preliminary mine planning has commenced by modelling a first open pit in order to mine coal over a strike distance of 2.8 kilometres in length (between holes 30 and 37) across a width of about 500 metres.**

The Board of Indus Coal Limited (**Indus** or the **Company**) is pleased to announce that progress on the 9,000 metre HQ core drilling program at Block 9 of the Jambi Coal Projects is continuing with excellent results. To date the 8 drilling rigs have completed 32 holes and another 8 holes are currently in progress.

Completed coal outcrop mapping across Block 9 identified 19 coal outcrops in total. The most significant of these is a 9-12m thick vertical outcropping seam over a strike length of 4.5km x 1.5km wide (**Coal Seam A**).

Subsequent exploration by Indus geologists has confirmed that there are several coal seams stratigraphically below the original Coal Seam A outcrops.

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Outlined in Figure 1 below is a simple long section of how the various coal seams at Block 9 present. At the far left of this long section is Hole 26 and 4.5km away is Hole 37 (far right). Coal Seam A is clearly present for the entire distance of 4.5km between these 2 holes at shallow depths.

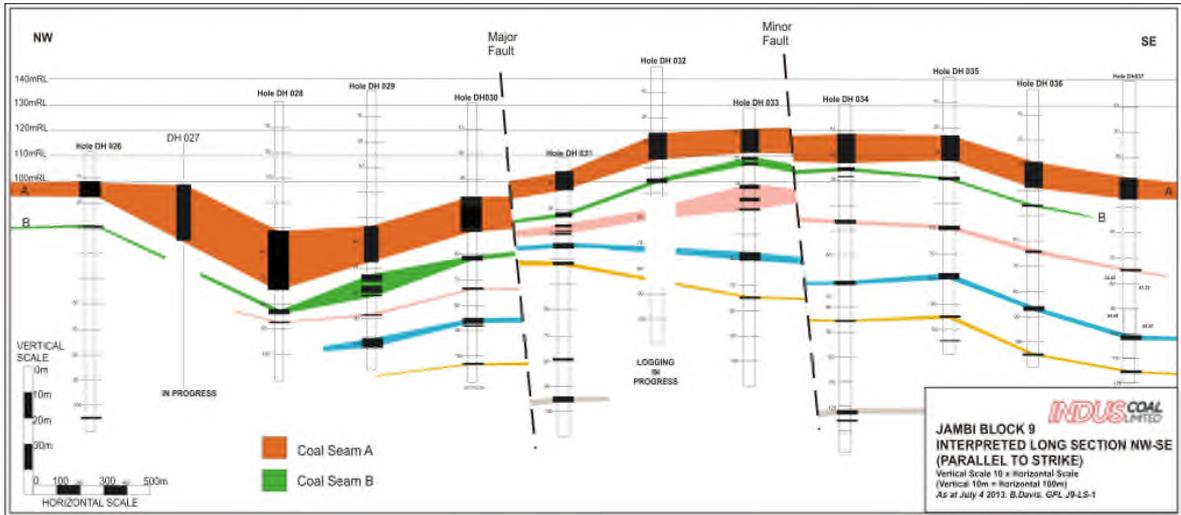


Figure 1: Schematic Long Section (parallel to strike) of the various coal seams at Block 9

Figure 2 below demonstrates the progress of drilling to date. Completed holes are shown in red. 8 holes are still in progress (green) and the remaining holes (shown in blue) were drilled to rig limits (150m) and will require therefore another more powerful rig to complete these holes.

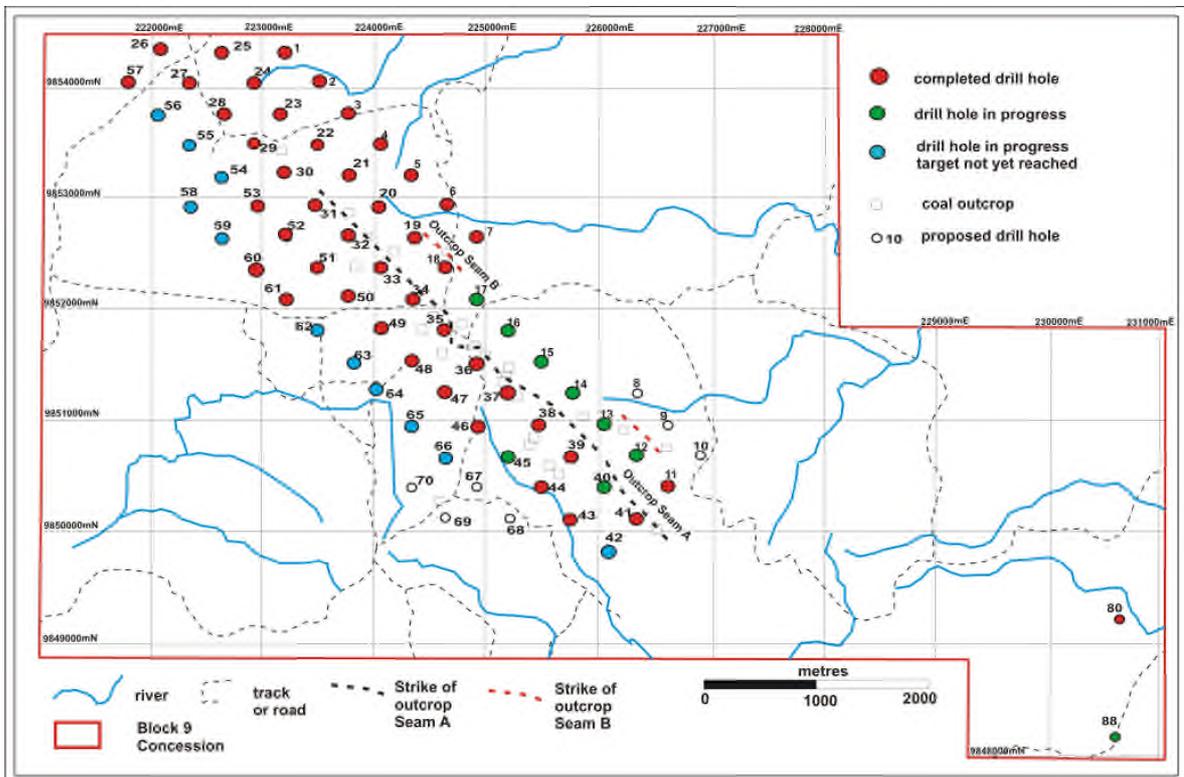


Figure 2: Block 9 – Drill sites for the resource drilling program - progress to date

Drilling is continuing with four Jacro 200 and four Jacro 300 machines using full and touch HQ coring. Coal seam samples have now been recovered from 32 holes with the most recent (since the 8 July 2013 ASX announcement) being the following 12 holes: DH011, DH021, DH022, DH024, DH025, DH027, DH038, DH039, DH041, DH041RD, DH043 and DH044.

The latest intervals of coal seams are tabulated below:

Table 1 - Coal Seam Intervals for Latest 12 Holes

Hole No	Easting m UTM Zone 48M	Northing m UTM Zone 48M	Elevation m	Coal Seam	From m	To m	Thickness m
DH011	226641.04	9850455.75	109	A	73.10	78.90	5.80
DH021	223610.00	9853317.00	98	B	15.70	17.28	1.58
					19.83	20.20	0.37
					22.90	22.95	0.05
					58.65	59.06	0.41
DH022	223518.00	9853552.00	107	B	5.00	6.75	1.75
					9.65	10.05	0.40
					35.30	35.80	0.50
DH024	222955.00	9854111.00	112	B	100.00	100.40	0.40
DH025	222614.00	9854402.00	110	B	73.40	74.95	1.55
DH027	222386.00	9854110.00	122	A1	9.50	12.95	3.45
				A	13.80	22.50	9.15
				A2	23.05	28.00	4.95
				B	50.60	52.70	2.10
					53.50	54.20	0.70
DH038	225503.61	9851016.61	123	A	46.50	55.95	9.45
DH039	225785.61	9850734.78	116	A	60.10	69.05	8.95
DH041 Stuck*	226362.00	9850172.00	84	A	90.16	93.30	3.14
DH041RD redrill	226377.00	9850178.00	89	A	89.43	97.50	8.07
					98.25	98.70	0.45
DH043	225795.00	9850170.00	111	A	139.50	146.00	6.50
DH044	225504.18	9850452.38	108	A	137.00	145.00	8.00

*DH041 Rods stuck and hole abandoned in Coal Seam A then redrilled as DH041RD

Note: All drill holes are vertical. All depths and thicknesses, locations and elevations of coal seams remain to be verified by survey and down hole geophysical logging. Current locations are from GPS readings. All thicknesses are down hole and apparent thicknesses, not true thicknesses. However, coal seam dips are less than 20 degrees.

Correlation of coal seams from geological logs indicates that seams are quite consistent in location and stratigraphic position along strike and down dip. See Figure 3 below for details of seam correlation.

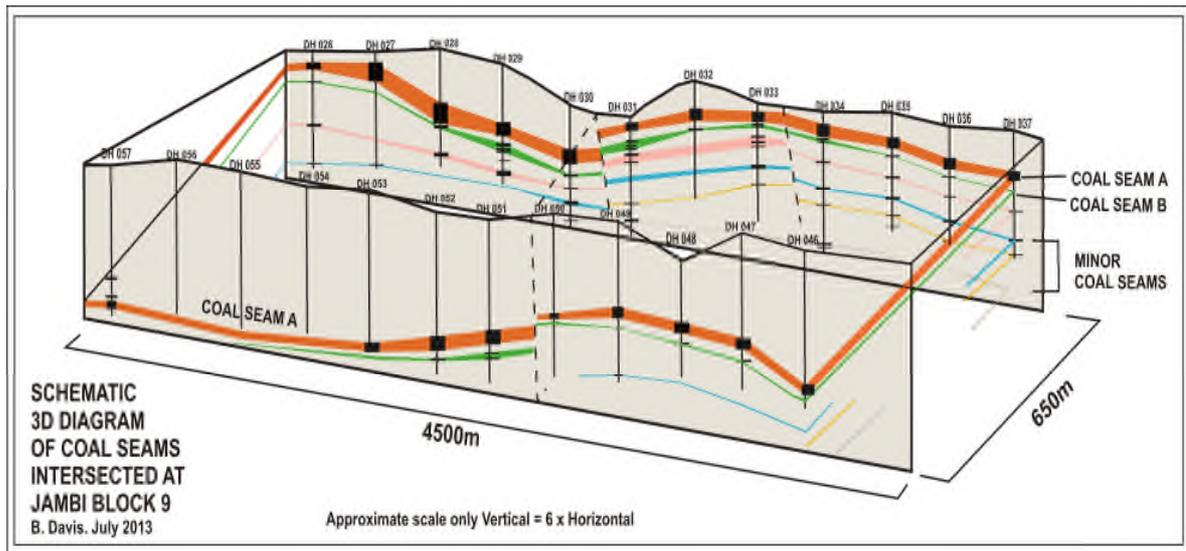


Figure 3: Schematic 3D Diagram of the various coal seams at Block 9

A typical stratigraphic column in the area being modeled under the Feasibility Study for the first open pit is shown by example of drill hole DH034 in Figure 4 below:

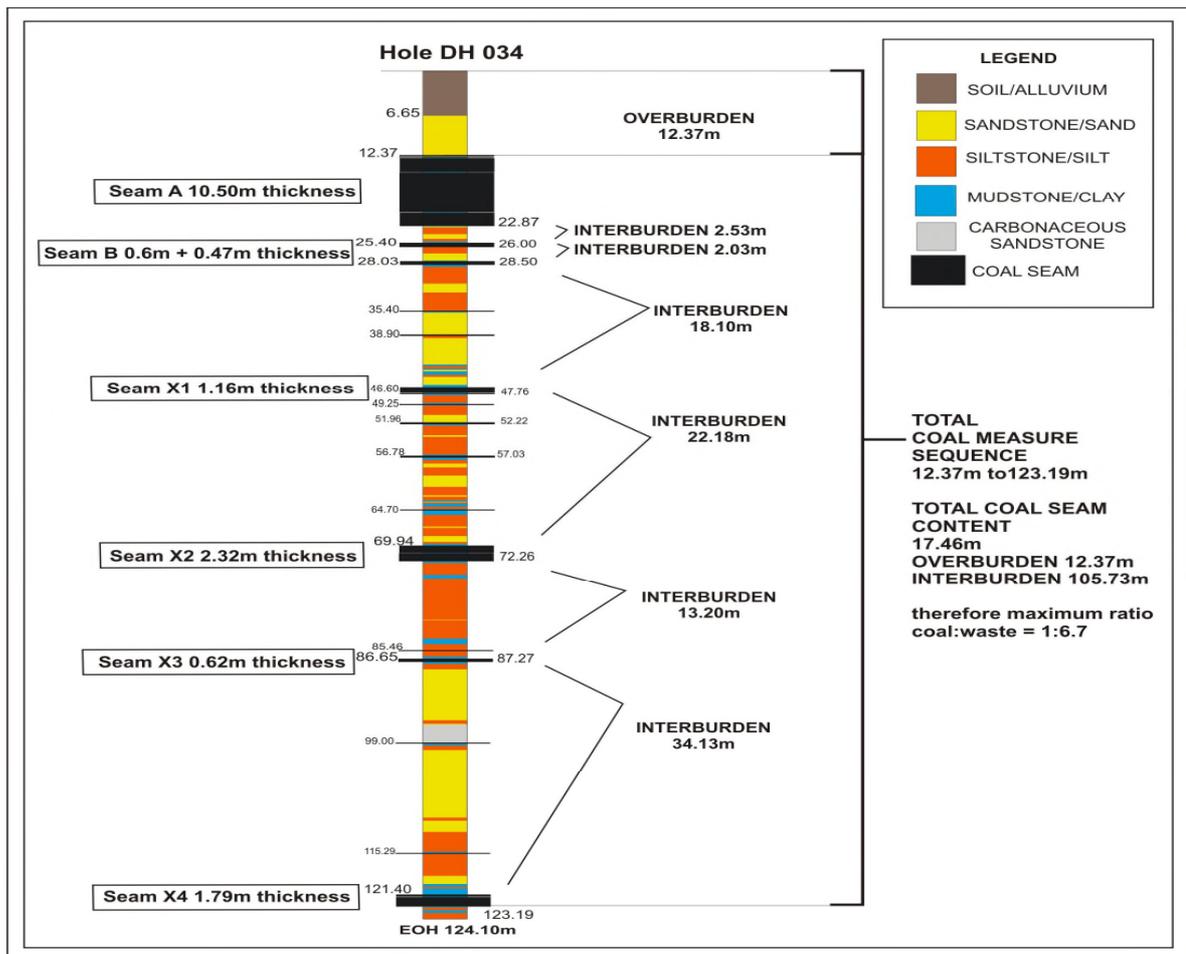


Figure 4: Block 9 – Stratigraphic Section Log of hole DH034 in the Feasibility Study area

Feasibility Study

Indus has appointed mining engineering consultancy GMS Mining & Infrastructure (**GMS**) to undertake mine design, planning and engineering for a coal mine on Block 9 and to complete a Feasibility Study for such a coal mine.

GMS are collaborating on this work with Indus' Jakarta based staff who are all experienced in the Indonesian coal sector and who are all employed by Vinay Hariani's PT Param Energy.

Indus and GMS staff have started wire-framing and modelling of the drilling data for Coal Seam A as part of the resource estimation process. The data for Coal Seam A has enabled a preliminary location of an initial open pit to be designed. Infrastructure planning, including access and haulage routes, stockpile areas and waste dump locations is also in progress. Final designs will be completed when the coal resource has been estimated.

See Figure 5 for planned open pit and infrastructure location with respect to resource drilling areas.

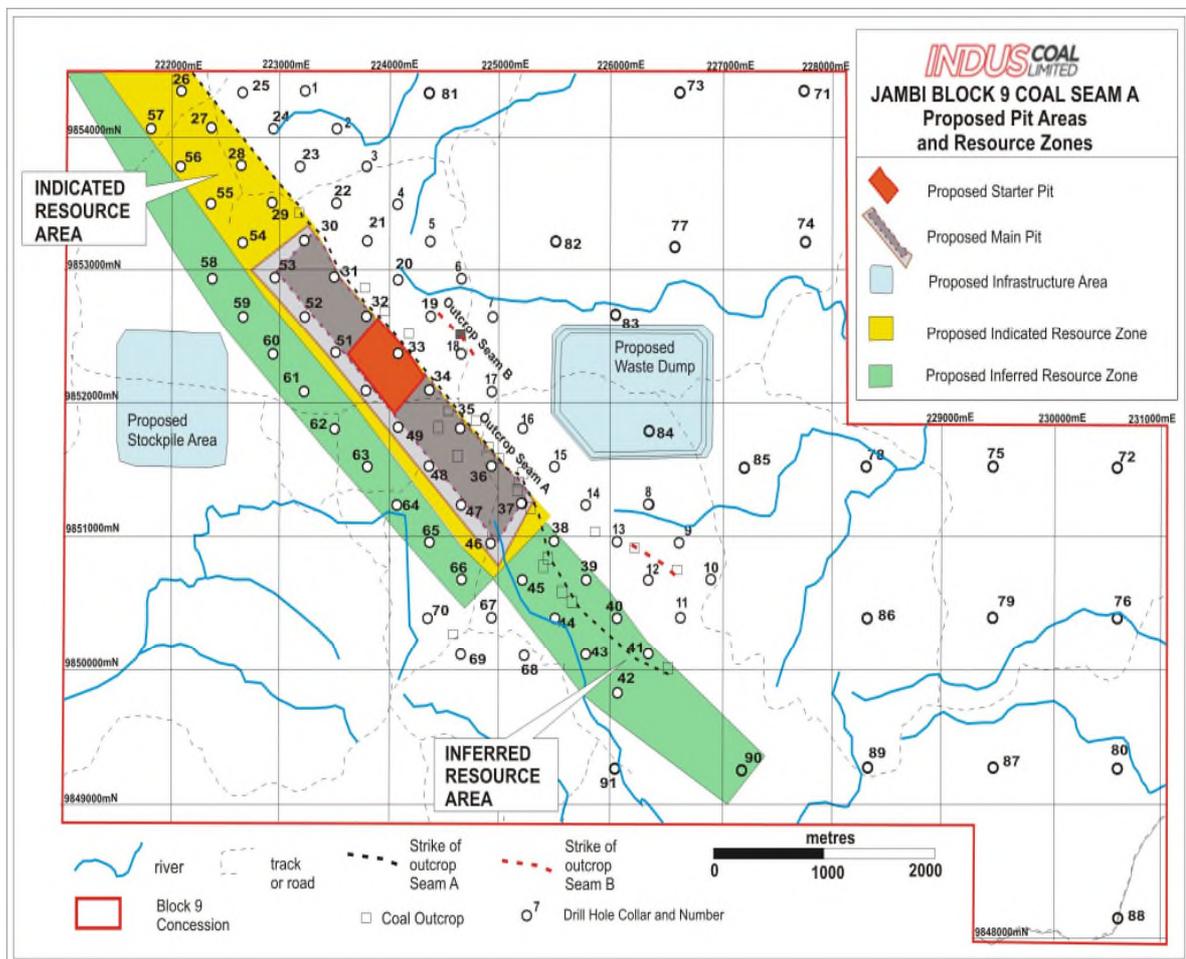


Figure 5: Map of Resource Drilling Areas and Planned Open Pit infrastructure.

Executive Director of Indus, Vinay Hariani commented:

"The results from holes 11, 38, 39, 41, 43 and 44 are very pleasing. They extend the strike by a further 1.5km. The strike is now 6km in length and I have now directed additional rigs to drill holes in the south-east in order to follow this Coal Seam A as it extends south-eastwards.

I am looking forward to the release of our maiden JORC statement on Block 9 within the next 30 days. This work is being completed by Brian Davis of Geologica.

In addition, we are working with GMS on the mining engineering and the completion of a Feasibility Study for the opening of a coal mine on Block 9 which produces 2MT of thermal coal per annum. Preliminary mine planning has commenced by modelling a first open pit in order to mine coal over a strike distance of 2.8 kilometres in length (between holes 30 and 37) across a width of about 500 metres".

About the Jambi Coal Projects

The Jambi Coal Projects consist of three coal bearing concessions totalling approximately 14,394ha and which are located in the Central Tebo District, Tebo Regency Jambi Province of Eastern Sumatra, Indonesia. The area is a well-known thermal coal producing region with a recognised export grade thermal coal product sought after by Indian and Chinese power producers.

The projects are identified as Block 7 (5001ha), Block 8 (4380ha) and Block 9 (5013ha). Blocks 8 and 9 are contiguous. The area is accessible year round and can be reached by a commercial direct flight from Jakarta to Jambi. Mining is typically a low cost, open cut truck and excavator type operation and coal is barged to the open sea from a river port, where it is transhipped for delivery to export power markets. By global standards these are traditionally low cost low CAPEX mining operations.

About Indus

Indus is focused on monetising the Jambi Coal Projects and the MukoMuko Coal Project over the next 12 months and continuing to build scale through further acquisitions with local coal partner PT Param Energy, a company founded by Indus Executive Director Mr Vinay Hariani which is a vertically integrated coal mining business with 15 years of experience in coal project identification, coal mining and international coal trading in Indonesia.

For further information, please contact:

SCOTT DOUGLAS Chairman

Competent Person: The information in this announcement that relates to exploration results, mineral resources or ore reserves is based on information provided by Mr Brian Davis from the geological consulting firm Geologica Pty Ltd. Geologica Pty Ltd is a consultant to the Company and Mr Brian Davis is a member of the Australasian Institute of Mining and Metallurgy. Mr Davis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration, Mineral Resources and Ore Reserves'. Mr Davis consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Comment: It is common practice for a company to comment on and discuss its exploration in terms of target size and type. In addition surface sampling assays and drill sample results may also be discussed in the context of information describing the presence of coal seams. The above information relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Coal Resources or Coal Reserves. Hence the terms Resource (s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Coal Resource. It is uncertain if further exploration will result in the determination of a Coal Resource.

Annexure A - Coal Seam Intervals for First 20 Holes on Block 9

Hole No	Easting m UTM Zone 48M	Northing m UTM Zone 48M	Elevation m	Coal Seam	From m	To m	Thickness m
DH026	222102.91	9854394.20	112	A	11.80	16.10	4.30
					68.50	70.05	1.55
					105.95	106.35	0.40
DH028	222663.58	9853828.30	133		50.30	50.80	0.50
				A	51.67	74.85	23.18
DH029	222947.81	9853546.47	137	B	97.40	100.17	2.77
				A	54.30	66.59	12.29
DH049	224088.63	9851858.21	127	B	73.10	75.18	2.08
					77.77	80.00	2.23
					80.43	81.08	0.65
					89.53	89.70	0.17
					98.43	102.16	3.73
DH050	223802.17	9852142.26	126	A	80.90	91.20	10.30
					96.05	96.30	0.25
				B	99.25	99.80	0.55
DH057	221817.02	9854111.79	100		142.00	143.95	1.83
				A	93.50	96.82	3.32
				B	100.00	101.00	1.00
					102.40	102.82	0.42
DH032	223802.72	9852704.28	145m		101.05	101.61	0.56
					103.78	104.75	0.97
					119.32	120.00	0.68
					121.70	122.43	0.73
				A	124.99	130.85	5.69
DH033	224085.83	9852424.66	132m	A	25.80	36.61	10.81
				B	44.32	45.60	1.28
DH034	224085.83	9852424.66	132m	A	8.65	17.60	8.95
				Xa	19.10	20.14	1.04
				X	21.75	22.38	0.63
				B	30.48	31.53	1.05
				X1	36.30	37.37	1.07
				X1.1	39.73	40.40	0.67
				X2	57.47	60.29	2.82
				X3	74.15	74.73	0.58
DH047	224654.85	9851296.76	131m	A	12.37	22.87	10.50
				Xa	25.40	26.00	0.60
				X	28.03	28.50	0.47
				B	46.60	47.61	1.01
				X2	69.94	72.26	2.32
				X3	86.65	87.12	0.47
				X5	121.40	123.15	1.75
X6	126.40	126.82	0.42				
DH047	224654.85	9851296.76	131m	A	106.21	115.68	9.47

				Xa	123.55	126.02	0.47
DH048	224370.63	9851578.59	120m	A	56.05	65.22	9.17
				X	76.60	76.94	0.34
DH051	223519.06	9852424.09	137m	A	101.70	114.50	12.80
				B	122.30	123.38	1.08
				Xb	127.35	128.60	1.25
DH037	225219.39	9851297.33	139m	A	38.02	47.33	9.31
				X	75.05	75.90	0.85
				B	100.35	102.15	1.80
				X1	116.62	117.11	0.49
DH046	224939.08	9851014.93	127m	A	123.65	133.74	10.14
DH030	223232.04	9853266.84	132m	A	36.93	50.87	13.94
				B	60.34	62.12	1.78
				X1	73.05	73.80	0.75
				X2	84.98	87.22	2.24
				X3	87.85	88.30	0.45
				X4	102.02	102.60	0.58
DH053	222950.60	9852986.65	120m	A	140.20	148.90	8.70
DH036	224707.00	9851593.00	138m	A	28.30	37.95	9.65
				Xa	46.75	47.30	0.55
				X	62.95	63.80	0.85
				B	87.95	89.15	1.20
				X1	105.10	105.60	0.50
DH035	224650.94	9851861.00	122m	A	22.70	32.05	9.35
				X	39.86	40.33	0.47
				B	59.40	60.51	1.11
				X1	78.40	80.08	1.68
					95.80	96.25	0.45
				X2	127.50	129.15	1.65
DH052	223232.60	9852703.71	112m	A	116.68	128.30	11.62
				B	136.73	137.63	0.90
DH031	223515.15	9852985.01	126m	A	4.93	12.18	7.25
				B	21.18	23.00	1.82
					26.19	27.54	1.35
					28.08	28.47	0.39
					29.23	30.00	0.77
					34.74	35.20	0.46
					46.98	49.44	2.46
					50.50	50.90	0.40
					79.07	79.53	0.46
					95.75	97.50	1.75

Note: All drill holes are vertical. All depths and thicknesses, locations and elevations of coal seams remain to be verified by survey and down hole geophysical logging. Current locations are from GPS readings. All thicknesses are down hole and apparent thicknesses, not true thicknesses. However, coal seam dips are less than 20 degrees.