



Market Release

October 13 2011

Ivanhoe completes acquisition of 80% interest in Exco Joint Venture Tenements

MELBOURNE, Australia – Robert Friedland, Chairman, and Peter Reeve, Chief Executive Officer of Ivanhoe Australia Limited (IVA:ASX/TSX), are pleased to announce that Ivanhoe Australia has finalised its acquisition of an 80% interest in 13 Exco Resources Limited (“Exco”) tenements in the highly mineralised Cloncurry region (see Figure 1).

In May 2007, Ivanhoe Australia entered into a joint venture arrangement with Exco in which Ivanhoe Australia would earn an 80% interest in these prospective tenements (“JV Tenements”). In addition, Ivanhoe Australia invested directly in Exco and currently holds an interest of 22.6%.

Under the terms of the joint venture Ivanhoe Australia was required to spend \$5.5 million on exploration work on the JV Tenements by 31 October 2011. This amount has been spent and the 80% has been acquired.

Mr Reeve commented: “The Exco Joint Venture has provided an additional exposure to this excellent mineral field. With substantial base exploration completed as part of the Joint Venture we are excited by the prospectivity of these tenements and will be progressing exploration on them in parallel with the other drilling programs on our own tenements.”

To date, exploration work on the JV Tenements has included a series of drilling campaigns and, more recently, has focussed on analysing existing and new geophysical data using improved processing and interpretation techniques. The geophysical analysis will assist in the design of drilling programs to be conducted over the next 12 months.

Twelve Exploration Permits for Minerals (EPMs) with a total area of 540 km² and one Mining Lease with an area of 0.04 km² are included in the JV Tenements (Figure 1).

Ivanhoe Mines (IVN: TSX, NYSE, NASDAQ) is Ivanhoe Australia's largest shareholder.

For further information, please contact:

Peter Reeve

Managing Director & CEO

Telephone: 61 3 9090 8802

Email: peterr@ivancorp.net

This information is available on our website: www.ivanhoeaustralia.com

Forward Looking Statement

Certain statements made herein, including statements relating to matters that are not historical facts and statements of our beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking information and statements are typically identified by words such as "anticipate," "could," "should," "expect," "seek," "may," "intend," "likely," "plan," "estimate," "will," "believe" and similar expressions suggesting future outcomes or statements regarding an outlook. These include but are not limited to statements about project schedules and production commencements.

All such forward-looking information and statements are based on certain assumptions and analyses made by Ivanhoe Australia's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements. The reader is cautioned not to place undue reliance on forward-looking information or statements.

Figure 1: Regional Ivanhoe tenement plan showing Exco-Ivanhoe tenements

