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NEWS RELEASE

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July 28, 2008

Indico Issues Initial 1 million shares for Argentine Oil and Gas Interests

FOR IMMEDIATE RELEASE...Vancouver, B.C., Indico Resources Ltd. (the "Company") announces that it has issued the initial tranche of 1 million shares to the vendor South American Hedge Fund LLC of its 18% carried interest in an Argentine joint venture exploring for oil and gas in Salta Province. The issuance is consequent upon the TSX Venture Exchange accepting for filing, documentation of an assignment agreement dated March 6, 2007, amended November 1, 2007 and amended March 31, 2008 (the "Agreement") among Indico Resources Ltd. (the "Company") and Oxipetrol-Petroleros De Occident S.A. ("Oxi") and South American Hedge Fund LLC ("SHF") by which the Company will acquire an 18% carried interest (the "Interest") in the joint venture between Oxi and JHP International Petroleum Engineering, Ltd, ("JHP"), (collectively the "JV") for the purpose of exploring and developing hydrocarbons in two oil and gas concessions known as the "Jollin Concession" and the "Tonono Concession", (the "Areas") located in the province of Salta in Northern Argentina.

In consideration for the Interest, the Company will issue up to 7,000,000 common shares payable to SHF as follows: 1,000,000 common shares (issued), 6,000,000 common shares at the earlier of: (i) All 6,000,000 common shares in the event of a commercial well being completed and within 60 days of notification by Oxi of commercial well completion, or (ii) 2,000,000 shares for each \$7,000,000 of oil and gas exploration expenditure incurred on the Areas to a maximum of 6,000,000 shares. For more information, please refer to the Company's news release dated November 8, 2007 and the Technical Report dated October 15, 2007 prepared by Sproule International Limited which will be available on Sedar.

The Company also announces that effective July 18, 2008 the Company has terminated its 2006 Metla property Option Agreement by making a payment of \$45,000 to the Owners.

The Company further announces that, pursuant to its 2006 Incentive Stock Option Plan, it has granted incentive stock options to certain directors, officers, employees and consultants allowing them to purchase up to an aggregate of 500,000 common shares in the capital stock of the Company. The options are exercisable at a price of CAD 0.66 for a period of two years ending July 28, 2010.

For further details on the Indico, readers are referred to the Canadian regulatory filing on SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS
INDICO RESOURCES LTD.

“Michael Kinley”
Michael Kinley, Director and CFO

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release, which has been prepared by management.