

MEDIA RELEASE
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STRAITS FULL YEAR FINANCIAL RESULTS

Improved Performance from Ongoing Operations

- Full year after tax loss of A\$69 million
- A\$72 million impairment charge against Hillgrove Mine
- Other business units showed improved performance
- Significant investment in core operations of \$62 million
- Unfranked final dividend of 5 cents per share payable 8 October 2010
- Share buy back announced
- Cash and investments of A\$253 million at year-end¹

In the Company's Preliminary Final Report, Straits Resources Limited (Straits ASX: SRL, "Straits") reported a net loss after tax of \$69 million for the twelve months to June 2010 (2009: A\$38 million profit). This loss includes write-downs and impairment charges against the Hillgrove Antimony and Gold project of \$72 million.

A loss of \$18.5 million was reported from ongoing activities, an improvement from the \$144.0 million loss recognised in 2009.

Profit/(loss) A\$m	FY2010	FY2009
Tritton	(1.7)	(59.5)
Mt Muro	(10.9)	(23.7)
PTTAPM	18.0	7.9
Magontec	1.3	(8.4)
Hillgrove	(8.5)	(14.6)
FX Losses	(6.0)	(42.2)
Other items	(10.7)	(3.5)
(loss) from ongoing activities	(18.5)	(144.0)
Impairments	(75.4)	(123.8)
PTT APM Disposal	28.6	344.2
Discontinued operations	(4.1)	(38.4)
Total Profit/(loss)	(69.4)	38.0

Commenting on the results, Straits Chief Executive Officer, Mr Milan Jerkovic, said, "Whilst there is headline net loss, we continue to be satisfied that the process of re-building our core businesses is on track.

¹ Includes \$22m of cash held to back performance bonds and guarantees.

In 2010 Straits has embarked on a process to stabilise production through re-capitalisation at its key operations, namely the Tritton copper mine in New South Wales and Mt Muro gold mine in Indonesia and this will continue in 2011. In the 2010 financial year Straits invested \$62 million in capital and exploration projects at its core operations. Straits also retains a substantial investment and exposure to highly profitable coal operations through our 40% investment in PTT Asia Pacific Mining (PTTAPM).

Exploration at operating sites has focussed on reserve and resource definition to extend mine lives. The process of disposing of non core assets has continued and during the year the Whim Creek copper mine assets were sold to Venturex and Finders Resources Limited. The sale process for the non-core Gfe trading business is well advanced.

Recognising the strong cash position and future cash flow generating capacity of operations, our shareholders will be rewarded with an unfranked dividend payment of 5 cents per share. In addition, as part of prudent capital management Straits will implement a share buy back” Mr Jerkovic said

Share buy back and dividend distribution

Straits has today announced a dividend of 5 cents per share and an on-market buy back up to a maximum of 10% of issued share capital over a period of a year.

Straits is currently trading at a large discount to its net asset value (in simple terms taking away the cash and shareholding in Straits Asia all Straits other assets are trading at approximately negative A\$200 million). Straits considers that buying back the Company’s shares is a prudent capital management initiative and is positive for the shareholder value.

Straits historically has had a policy of paying meaningful and sustainable dividends and was able to implement this policy from April 2005 to May 2008 but dividends were suspended during the global financial crisis. Straits is now confident that through the current recapitalisation programme at Tritton and Mt Muro the company is heading back to profitability and long term sustainable growth. It is therefore prudent to renew dividend payments.

Positive outlook in 2011

“Straits will continue with its diversified strategy based on copper and coal aimed at creating sustainable earnings and long term value for shareholders through the discovery, development, acquisition and the efficient operation of mines. In addition to the PTT Asia coal joint venture (SRL 40%) which has investments in world-class coal assets, Straits has an emerging metals business. We have had a year of re-investment into our core mining operations at Tritton and Mt Muro and this will continue in 2011 with our goal to attain optimum production from both through these recapitalisation programmes .This will create further value through the realisation of additional reserves and resources from exploration in progress at both these projects . Concurrently Straits will continue to streamline our balance sheet by divesting our non-core assets Mr Jerkovic added

Our exploration strategy at Tritton and Mt Muro is focussed on resource and reserve definition drilling to extend the life of these assets. Straits’ greenfields exploration is concentrated on the Goldminco exploration projects at Temora in the Lachlan Fold belt of New South Wales and the Torrens project in South Australia, both of which are prized assets holding substantial promise”.

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ABOUT STRAITS RESOURCES

About Straits Resources

Straits is an ASX200 diversified resources company focussed on generating strong and sustainable earnings for its shareholders from a balanced portfolio of resource projects and investments. Based in Perth, the company has a management team with an impressive track record of advancing resource projects through to full-production. Straits controls and operates the Tritton Copper and Hillgrove antimony/gold mines in NSW and the Mt Muro gold mine in Indonesia. Straits also holds 40% of PTT Asia Pacific Mining Pty Ltd (PTT Asia) which holds 45.6% of Straits Asia Resources which is listed on the Singapore Exchange. Straits Asia controls and operates the Sebuk and Jembayan coal mines in Indonesia. In addition Straits has an exposure to an outstanding portfolio of mining investments, development projects and exploration ground throughout Australia and Indonesia.

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