

**STRAITS RESOURCES LIMITED
(ASX: SRQ)****INDONESIAN COURTS APPROVE SETTLEMENT PLAN BETWEEN
PT IMK AND CREDITORS**

Straits Resources Limited (**Straits**) is pleased to announce that on 10th October 2014, the Commercial Court at the Central Jakarta District Court approved a Settlement Plan proposed by Straits' wholly owned subsidiary, PT Indo Muro Kencana (**PT IMK**), owner of the Mt Muro gold mine, to the Creditors of PT IMK.

KEY POINTS

- Settlement Plan proposed by PT IMK accepted by Creditors and approved by Indonesian Commercial Court;
- Ownership of PT IMK will be transferred to the Creditors. The Straits' subsidiaries (Muro Offshore Pty Ltd and Indo Muro Pty Ltd) that hold all the PT IMK shares, will be transferred to a "Special Purpose Vehicle" and held in trust on behalf of the Creditors;
- PT IMK Creditors to provide appropriate releases to Directors and Commissioners of PT IMK and also to Straits;
- Upon implementation of the Settlement Plan, Straits and its subsidiaries have no ongoing obligations to either the Creditors of PT IMK or the entities that hold the shares in PT IMK;
- Settlement Plan to become effective upon confirmation of completion of transfer of Muro Offshore Pty Ltd and Indo Muro Pty Ltd to the Special Purpose Vehicle, which is expected to be completed within the next 2 weeks; and
- Finalisation of the Settlement Plan overrides the Voluntary Bankruptcy application submitted by PT IMK in January 2014.

Straits' Executive Chairman, Andre Labuschagne said "This is a significant outcome for both Straits and the Creditors of PT IMK and is the result of more than eight months of discussion and negotiation amongst Straits, PT IMK, the Administrator and the Creditors."

"The implementation of the Settlement Plan is another key deliverable achieved in the ongoing turnaround of Straits and now enables Straits to focus solely on maximising value from its Australian assets, particularly the Tritton Copper operations in New South Wales. This is also a significant step for the Creditors of PT IMK as it now delivers a mechanism by which they can seek to crystallise value from the assets of PT IMK."

"Whilst getting to this point has been a challenging exercise for all the parties involved, it demonstrates the pragmatism and commerciality of the parties."



Andre Labuschagne
Executive Chairman

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