

ASX / MEDIA RELEASE

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Straits Divests GfE Trading Business

Straits Resources Limited (SRL) is pleased to announce the signing of a sale and purchase agreement for the divestiture of the non-core GfE trading business to a consortium including existing GfE management. Completion of the transaction is anticipated before year-end.

The total consideration for the sale is US\$15 million, with US\$3 due at closure and the balance of US\$12 million payable in instalments over a 5 year period.

GfE specialises in marketing and supplying alloys and related products for the steel, foundry and non-ferrous industries. GfE is a non-core asset within Straits and plans to sell this business have been highlighted previously to shareholders.

Based on the groups audited accounts as at 30 June 2010, the sale of GfE has the following impacts on the balance sheet and profit and loss statement;

- Removal of US\$65.3 million of assets and US\$53.7 million of liabilities (including US\$33.4 million of borrowings)
- In 2010 GfE revenue was US\$176 million and net profit after tax US\$0.4 million.

There has been no material change to this position since year-end.

Hatch Corporate Finance acted as corporate finance adviser and Dawsons LLP acted as legal adviser to Straits in relation to the announced transaction.

Ends.

For further information, please contact either:

- Mr Milan Jerkovic – Chief Executive Officer
- Mr Dave Greenwood – Executive General Manager Corporate Affairs

on +61 8 9480-0500, or visit our website at www.straits.com.au.

References in this report to “Straits Resources Limited”, “Straits” and “Company” include, where applicable, its subsidiaries.

About Straits Resources

Straits Resources is an ASX 200 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 Operation and Hillgrove antimony/gold mines in NSW and the Mt Muro gold mine in Indonesia. Straits Resources also holds 40% of PTT Asia Pacific Mining Pty Ltd 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. Straits also owns GfE and Magontec, European based specialty metals businesses.

STRAITS RESOURCES LIMITED

ABN 22 056 601 417

Level 1 ♦ 35 Ventnor Avenue ♦ West Perth WA 6005 ♦ Australia | PO Box 1641 ♦ West Perth WA 6872

T: +61 8 9480 0500 ♦ F: +61 8 9480 0520 ♦ E: info@straits.com.au ♦ www.straits.com.au