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**STRAITS RESOURCES LIMITED**  
**(ASX: SRQ)**

**UPDATE ON BANKRUPTCY PROCEEDINGS FOR STRAITS' INDONESIAN SUBSIDIARY**

Straits Resources Limited (**Straits**) provides the following update on the progress of the petition for voluntary bankruptcy (**Bankruptcy Application**) lodged by Straits' wholly owned subsidiary, PT Indo Muro Kencana (**PT IMK**).

As previously advised, the hearing of the Bankruptcy Application was effectively postponed until a Suspension of Payment (SOP) application lodged by one of PT IMK's creditors, PT Multi Nitrotama Kimia (PT MNK), could be finally decided.

On 3 March 2014 the Commercial Court ruled that PT IMK was to be made subject to a Temporary SOP (**TSOP**) for 45 days, with the Presiding Judges scheduling a deliberation hearing on the outcome of the TSOP on 17 April 2014. An Administrator of PT IMK was also appointed by the Commercial Court for the period of the TSOP. At the deliberative hearing on 17 April 2014, the Presiding Judges decided that the SOP should remain in place for another 60 days until 13 June 2014 so as to give further time to develop a settlement plan that can be put to PT IMK's creditors with some prospect of being approved by the required percentages of creditors (**Settlement Plan**).

PT IMK continues to work with the Administrator to investigate the possibility of developing a suitable Settlement Plan.

Unless the Settlement Plan is put to and approved by the required percentages of creditors before 13 June 2014 or the end of any extension of the SOP beyond 13 June 2014, PT IMK should be declared bankrupt.

A SOP should not last for more than 270 days in total inclusive of the initial TSOP of 45 days. While so long as the SOP continues, PT IMK cannot be declared bankrupt and all recovery actions by PT IMK creditors are on hold.



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