



ASX RELEASE : 1 FEBRUARY 2011

**SATISFACTION OF CONDITIONS PRECEDENT  
TO THE DEMERGER SCHEME**

Straits Metals Limited (**Straits Metals**) (ASX: SRQ) refers to the Demerger Scheme of Arrangement between Straits Resources Limited (**SRL**) which became effective today (**Demerger Scheme**).

Straits Metals confirms that all conditions precedent to the Demerger Scheme, other than ASX granting approval for the admission of Straits Metals to the official list of ASX and quotation of the Straits Metals Shares, have been satisfied.

Under the Demerger Scheme, SRL shareholders that are Eligible Shareholders will receive one Straits Metals Share for each SRL Share that they hold as at the Demerger Scheme Record Date. Straits Metals Shares will be transferred to Eligible Shareholders on the Demerger Scheme Implementation Date with deferred settlement trading of Straits Metals Shares scheduled to commence tomorrow (2 February 2011) in accordance with the timetable of key dates and times set out below.

SRL shareholders who have any queries in relation to their current holding of SRL Shares or their entitlement to Straits Metals Shares under the Demerger Scheme should call Computershare Investor Services Pty Limited on 1300 729 525 (within Australia) or +61 3 9415 4395 (outside Australia) during weekdays between 9.00am and 5.00pm (Sydney Time).

**Timetable of key dates and times**

Demerger Scheme Effective Date	1 February 2011
SRL Shares commence trading on ASX without an entitlement to Straits Metals Shares Straits Metals Shares commence trading on ASX under the ASX code "SRQ" on a deferred settlement basis	2 February 2011
DEMERGER SCHEME RECORD DATE – All SRL shareholders who hold SRL Shares on the Demerger Scheme Record Date will be entitled to receive the Demerger Scheme Consideration	8 February 2011
DEMERGER SCHEME IMPLEMENTATION DATE – Capital Reduction, Demerger Dividend (if any) and transfer of Straits Metals Shares to Eligible Shareholders Despatch of transaction confirmation statements for Straits Metals Shares and last day of deferred settlement trading for Straits Metals Shares	11 February 2011
Normal trading of Straits Metals Shares commences	14 February 2011

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Settlement of all deferred settlement trades of Straits Metals Shares	17 February 2011
Latest day for despatch of payment to Ineligible Foreign Shareholders	14 March 2011

For further information, please contact either:

- Mr Milan Jerkovic – Chief Executive Officer
- Mr Dave Greenwood – Corporate Affairs
- Mark Hands – Company Secretary

on +61 8 9480-0500, or visit our website at [www.straits.com.au](http://www.straits.com.au).

**Straits Metals Limited**