

**Form 605**  
Corporations Act 2001  
Section 671B

## Notice of ceasing to be a substantial holder

To Company Name/Scheme STRAITS RESOURCES LIMITED

ACN/ARSN 147 131 977

### 1. Details of substantial holder (1)

Name Morgan Stanley & Co. International plc  
ACN/ARSN (if applicable) Not Applicable

The holder ceased to be a substantial holder on Oct 10, 2011  
The previous notice was given to the company on May 27, 2011  
The previous notice was dated May 25, 2011

### 2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
5/26/2011	Morgan Stanley Australia Securities Limited	Sell	0.7676	-14485 Ordinary Shares	-14485
5/26/2011	Morgan Stanley Australia Securities Limited	Buy	0.7022	159869 Ordinary Shares	159869
5/27/2011	Morgan Stanley Australia Securities Limited	Sell	0.7588	-23608 Ordinary Shares	-23608
5/27/2011	Morgan Stanley Australia Securities Limited	Buy	0.7097	72520 Ordinary Shares	72520
5/30/2011	Morgan Stanley Australia Securities Limited	Buy	0.7123	97304 Ordinary Shares	97304
5/31/2011	Morgan Stanley Australia Securities Limited	Buy	0.7179	194959 Ordinary Shares	194959
6/1/2011	Morgan Stanley Australia Securities Limited	Buy	0.7221	100000 Ordinary Shares	100000
6/2/2011	Morgan Stanley Australia Securities Limited	Buy	0.7351	35217 Ordinary Shares	35217
6/14/2011	Morgan Stanley & Co. International plc	Borrow Returned	N/A	-1038 Ordinary Shares	-1038
6/15/2011	Morgan Stanley Australia Securities Limited	Sell	0.7348	-31279 Ordinary Shares	-31279
6/22/2011	Morgan Stanley & Co. International plc	Sell	0.7500	-8377 Ordinary Shares	-8377
6/30/2011	Morgan Stanley Australia Securities Limited	Buy	0.7956	115324 Ordinary Shares	115324
7/22/2011	Morgan Stanley & Co. International plc	Sell	0.8000	-2116 Ordinary Shares	-2116
7/26/2011	Morgan Stanley & Co. International plc	Sell	0.7800	-1598 Ordinary Shares	-1598
7/29/2011	Morgan Stanley & Co. International plc	Buy	0.7834	6500 Ordinary Shares	6500
8/1/2011	Morgan Stanley & Co. International plc	Buy	0.7929	70000 Ordinary Shares	70000
8/2/2011	Morgan Stanley Australia Securities Limited	Buy	0.7815	15979 Ordinary Shares	15979
8/3/2011	Morgan Stanley Australia Securities Limited	Buy	0.7611	9021 Ordinary Shares	9021
8/4/2011	Morgan Stanley & Co. International plc	Sell	0.7834	-6500 Ordinary Shares	-6500
8/4/2011	Morgan Stanley & Co. International plc	Sell	0.7929	-70000 Ordinary Shares	-70000
8/5/2011	Morgan Stanley Australia Securities Limited	Buy	0.6911	87923 Ordinary Shares	87923
8/8/2011	Morgan Stanley & Co. International plc	Buy	0.7143	100000 Ordinary Shares	100000
8/9/2011	Morgan Stanley & Co. International plc	Buy	0.6075	204897 Ordinary Shares	204897
8/11/2011	Morgan Stanley & Co. International plc	Sell	0.7143	-100000 Ordinary Shares	-100000
8/12/2011	Morgan Stanley & Co. International plc	Sell	6.0750	-204897 Ordinary Shares	-204897
8/16/2011	Morgan Stanley Australia Securities Limited	Buy	0.7003	21975 Ordinary Shares	21975
8/17/2011	Morgan Stanley Australia Securities Limited	Buy	0.7010	83968 Ordinary Shares	83968
8/18/2011	Morgan Stanley Australia Securities Limited	Buy	0.7010	65000 Ordinary Shares	65000
8/19/2011	Morgan Stanley Australia Securities Limited	Buy	0.7010	62291 Ordinary Shares	62291
8/22/2011	Morgan Stanley Australia Securities Limited	Buy	0.7010	22213 Ordinary Shares	22213

8/23/2011	Morgan Stanley Australia Securities Limited	Buy	0.7010	494 Ordinary Shares	494
8/24/2011	Morgan Stanley Australia Securities Limited	Buy	0.7010	1158 Ordinary Shares	1158
9/12/2011	Morgan Stanley & Co. International plc	Sell	0.7650	-2953 Ordinary Shares	-2953
9/14/2011	Morgan Stanley & Co. International plc	Sell	0.8000	-2414 Ordinary Shares	-2414
9/15/2011	Morgan Stanley Australia Securities Limited	Buy	0.7787	20000 Ordinary Shares	20000
9/16/2011	Morgan Stanley & Co. International plc	Buy	0.7994	212551 Ordinary Shares	212551
9/19/2011	Morgan Stanley & Co. International plc	Buy	0.7952	25243 Ordinary Shares	25243
9/19/2011	Morgan Stanley Australia Securities Limited	Buy	0.7937	1200 Ordinary Shares	1200
9/21/2011	Morgan Stanley & Co. International plc	Sell	0.8085	-212551 Ordinary Shares	-212551
9/21/2011	Morgan Stanley Australia Securities Limited	Sell	0.8100	-1200 Ordinary Shares	-1200
9/27/2011	Morgan Stanley Australia Securities Limited	Buy	0.6864	50000 Ordinary Shares	50000
9/28/2011	Morgan Stanley & Co. International plc	Buy	0.7299	35000 Ordinary Shares	35000
9/29/2011	Morgan Stanley Australia Securities Limited	Buy	0.6984	50000 Ordinary Shares	50000
9/29/2011	Morgan Stanley & Co. International plc	Buy	0.7069	50000 Ordinary Shares	50000
9/30/2011	Morgan Stanley & Co. International plc	Buy	0.6991	100000 Ordinary Shares	100000
10/4/2011	Morgan Stanley & Co. International plc	Sell	0.7299	-35000 Ordinary Shares	-35000
10/6/2011	Morgan Stanley & Co. International plc	Sell	0.7086	-50000 Ordinary Shares	-50000
10/6/2011	Morgan Stanley & Co. International plc	Sell	0.6500	-2919 Ordinary Shares	-2919
10/7/2011	Morgan Stanley & Co. International plc	Sell	0.6991	-100000 Ordinary Shares	-100000
10/10/2011	Morgan Stanley & Co. International plc	Borrow	N/A	200000 Ordinary Shares	200,000
10/10/2011	Morgan Stanley Australia Securities Limited	Sell	0.6700	-25356964 Ordinary Shares	-25356964

### 3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not Applicable	Not Applicable

### 4. Addresses

The addresses of persons named in this form are as follows:

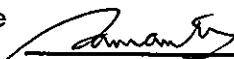
Name	Address
Morgan Stanley & Co. International plc	25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom
Morgan Stanley Australia Securities Limited	Level 39 Chifley Tower, 2 Chifley Square, Sydney NSW 2000, Australia

## Signature

print name Samantha Lim

capacity Vice President

sign here



date Oct 12, 2011

### DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 4 of the form.
- (2) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

- (3) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (4) Include details of:
- (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (5) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (6) The voting shares of a company constitute one class unless divided into separate classes.
- (7) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

**Appendix:**

<b>Schedule</b>	
<b>Type of Agreement</b>	Overseas Securities Lender's Agreement
<b>Parties to agreement</b>	Morgan Stanley & Co. International plc and JPMORGAN CHASE BANK, NA
<b>Transfer Date</b>	10/10/2011
<b>Holder of Voting Rights</b>	Each Party undertakes that where it holds securities of the same description as any securities borrowed by it or transferred to it by way of collateral at a time when a right to vote arises in respect of such securities, it will use its best endeavours to arrange for the voting rights attached to such securities to be exercised in accordance with the instructions of the Lender or Borrower (as the case may be).
<b>Are there any restrictions on voting rights?</b>	Yes/No
<b>If yes, detail</b>	As stated above.
<b>Scheduled Return Date (if any)</b>	Open
<b>Does the borrower have the right to return early?</b>	Yes/No
<b>If yes, detail</b>	The Borrower is entitled at any time to terminate a particular loan of Securities and to redeliver all and any Equivalent Securities due and outstanding to the Lender in accordance with the Lender's instructions.
<b>Does the lender have the right to recall early?</b>	Yes/No
<b>If yes, detail</b>	The Lender may call for the redelivery of all or any Equivalent Securities at any time by giving notice on any Business Day of not less than the standard settlement time for such Equivalent Securities on the exchange or in the clearing organisation through which the relevant borrowed Securities were originally delivered. The Borrower shall redeliver such Equivalent Securities not later than the expiry of such notice in accordance with the Lender's instructions.
<b>Will the securities be returned on settlement?</b>	Yes/No
<b>If yes, detail any exceptions</b>	If an Event of Default occurs in relation to either Party, the Parties' delivery and payment obligations shall be accelerated so as to require performance thereof at the time such Event of Default occurs. In such event the Relevant Value of the Securities to be delivered by each Party shall be established in accordance with the Agreement and on the basis of the Relevant Values so established, the sums due from one Party shall be set-off against the sums due from the other and only the balance of the account shall be payable.

*The above schedules are based on the relevant standard agreements. The entity filing the report will, if requested by the company or responsible entity to whom the prescribed form must be given or ASIC, give a copy of the agreement to the company, responsible entity or ASIC.*