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STRAITS RESOURCES LIMITED  
(ASX: SRQ)

### Avoca Tank Prospect Update

Further to our announcement to the ASX of 10<sup>th</sup> October 2011 (Exploration update for the *Avoca Tank Prospect*), Straits wishes to update the market on recent drilling results at this prospect.

Avoca Tank is located approximately 2km north of the Girilambone North mining area and has previously been drilled with shallow RC holes searching for copper oxide mineralisation during the 1990's. Historically a small oxide resource was identified near the newly discovered sulphide mineralisation, however the deeper sulphide potential of this system was never fully evaluated.

Since the last update, a further five drill holes (TATD008 to TATD012) have been completed at the Avoca Tank prospect, with a view to gaining a better understanding of the mineralised system at Avoca Tank. Avoca Tank is evolving into an extremely exciting discovery for Straits. The high grade lens now extends for at least 250 metres down plunge and is open to the south and at depth (see Figure 1.0). Recent holes have intersected what is believed to be part of a "feeder zone" to this lens greatly enhancing the prospect of finding multiple lenses in the mineralised system. The twelve holes drilled so far have only covered a very small portion of the larger Avoca Tank Complex (see Figure 2.0) and consequently the potential for further discoveries remains extremely high.

Since the previous exploration update two holes (TATD008 & TATD009) have been drilled to test below a known oxide resource approximately 200 metres south west of the Avoca Tank high grade lens. In addition two holes (TATD010 & TATD011) were drilled to further test the high grade lens at depth and down plunge of previous intersections, and TATD012 was drilled to test the gap zone between the oxide resource and high grade lens.

Holes TATD008 & TATD009 both hit alteration and low grade sulphide mineralization below the oxide resource, as well as a second narrow low grade and strongly altered sulphidic zone 150 metres into the footwall. This zone is now believed to be part of a "feeder zone" for the high grade lens intersected in earlier holes. TATD010 while intersecting lateral alteration missed the high grade lens at depth; however TATD011 intersected three altered and sulphidic lenses, the best of which returned 10 metres @ 2.01% Cu, 0.8 g/t Au & 11.5 g/t Ag. The mineralisation remains open at depth and to the south. TATD012 intersected a number of altered silica / magnetite zones, and broad mineralised horizons (including 21 metres @ 1.0% Cu & 0.3 g/t Au and 8 metres @ 1.3% Cu & 0.4 g/t Au) in the "feeder zone" trending towards the high grade lens.

Significant results for the current holes are shown below:

**Avoca Tank Significant Assay Results;**

Hole Id	East AMG	North AMG	Dip	Az (mag)	From (m)	Width (m)	Cu %	Zn %	Au g/t	Ag g/t
TATD008	484602	6548216	-60	318	148	1	1.02	0.04	0.01	0.2
					154	3	0.54	0.07	0.02	0.3
					163	1	0.53	0.02	0.01	0.3
					179	1	0.98	0.02	0.02	0.2
					186	1	0.80	0.02	0.01	0.2
					227	1	1.00	2.27	0.11	14.2
TATD009	484559	6548190	-60	318	156	1	0.60	0.01	0.01	0.6
TATD011	484763	6548550	-60	231	303	2	1.32	0.28	0.40	19.2
					311	3	2.19	1.17	0.35	11.8
					320	4	0.97	0.44	0.14	5.1
					329	1	1.50	0.11	0.30	2.9
					344	1	0.79	0.13	0.18	4.3
					366	10	2.01	0.95	0.80	11.5
TATD012	484645	6548241	-55	318	289	1	0.97	0.19	0.12	3.1
					294	21	0.99	0.18	0.26	3.9
					324	8	1.28	0.18	0.35	4.1
					343	6	1.18	0.24	0.36	5.4

(0.5% Cut-off grade, max 3m internal dilution) (Datum AGD66).

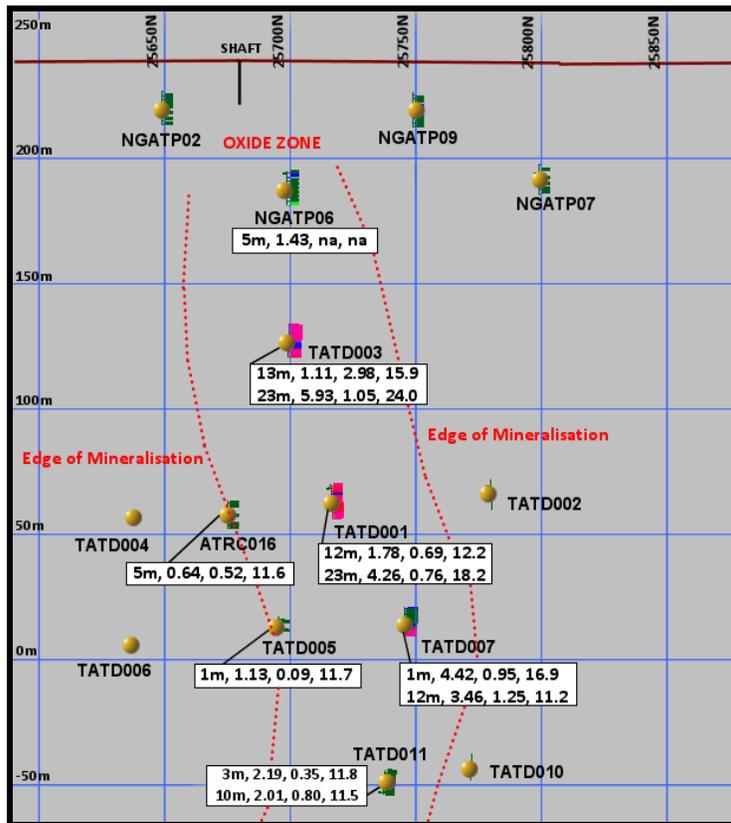


Figure 1.0: Long-section of the Avoca Tank Prospect drilling

Exploration to date has only concentrated on a small percentage of the Avoca Tank Complex (ATC) and the ATC is only one of a number of similar type prospective complexes covering a large area (approximately 100 km long corridor) in the Tritton area (see Figure 2.0). Each of these complexes is characterised by the presence of mafic horizons, oxide and/or sulphide copper occurrences and strong magnetic and geochemical signatures. All of these complexes have excellent potential for the discovery of further volcanogenic massive sulphide (VMS) deposits with “Besshi style” mineralisation analogous to other Tritton style systems in the region.

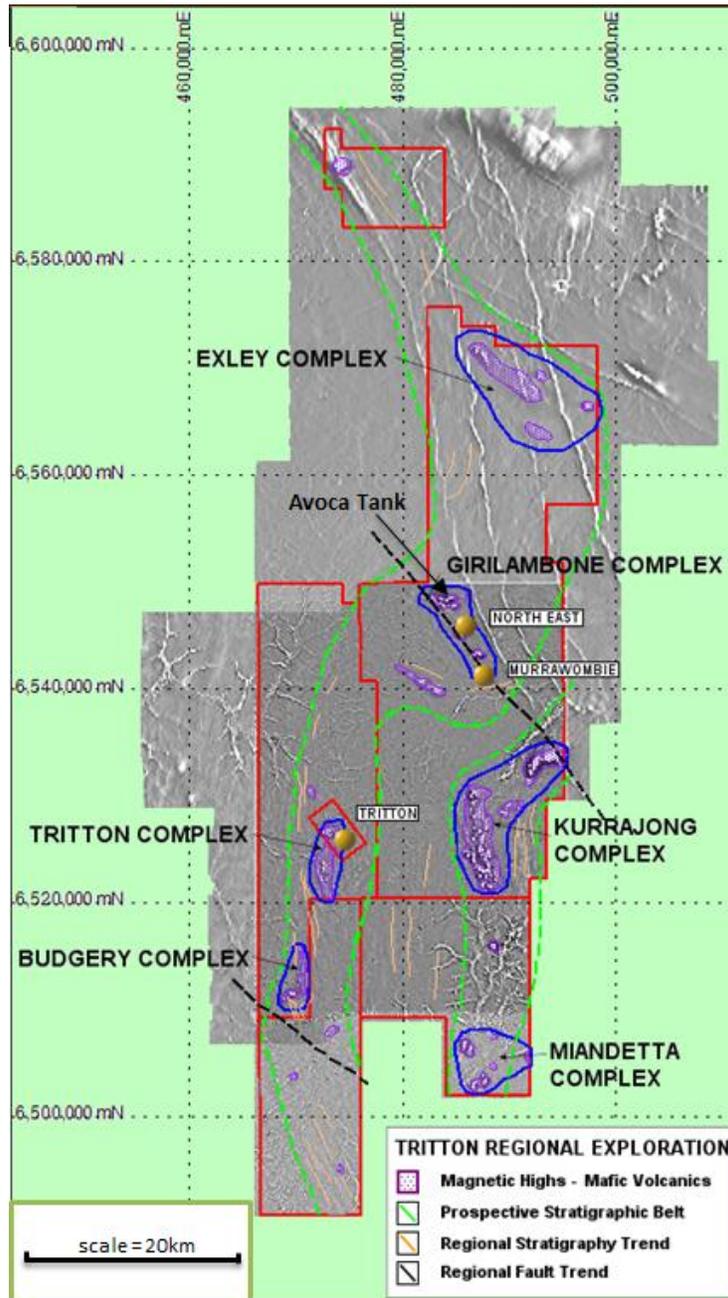


Figure 2.0: Proposed aircore drill program area – Avoca Tank

To continue the evaluation of the ATC, an aircore drill program is proposed (Figure 3.0), testing the entire sediment / mafic contact around the complex for further sulphide mineralisation. Significant intercepts will be followed up with RC / Diamond drilling.

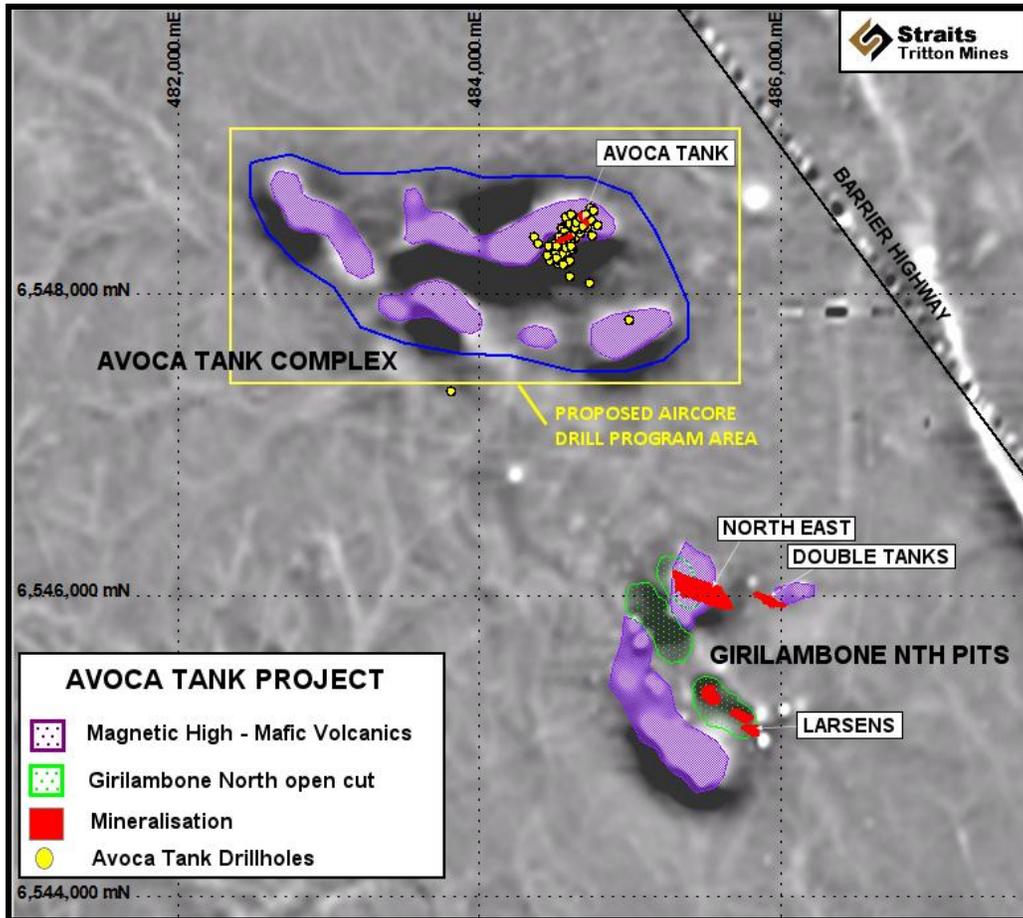


Figure 3.0: Proposed aircore drill program area – Avoca Tank

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### **Competent Persons Statement**

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr. Ivan Jerkovic who is a Member of the AusIMM no. 202260 (Australasian Institute of Mining and Metallurgy) and the AIG no. 3099 (Australian Institute of Geoscientists). Mr. Jerkovic is a full time employee of Straits Resources Limited and has sufficient experience relevant to the style of mineralisation, type of deposits under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Jerkovic consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

### **Forward-Looking Information**

Certain statements contained in this press release constitute forward-looking statements or forward-looking information. The words "intend", "may", "would", "could", "will", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. These statements are based on certain factors and assumptions and while Straits considers these factors and assumptions to be reasonable based on information currently available, they may prove to be incorrect. Forward-looking statements are given only as at the date of this release and Straits disclaims any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

### **About Straits Resources**

Straits Resources Ltd (ASX Code: SRQ) is a mining and exploration company focused on copper and gold in Australia and Asia. Straits owns and operates the Tritton copper mine in NSW and the Mt Muro gold mine in Indonesia and has an exciting exploration portfolio focusing on projects in NSW and South Australia.