
STRAITS RESOURCES LIMITED
(ASX: SRQ)

**Drilling resumes at the Avoca Tank Prospect (massive sulphide zone)
First hole has returned a visually stunning sulphide intercept.**

Further to our announcement to the ASX on the 2nd December 2011 (Exploration update for the *Avoca Tank Prospect*), Straits wishes to update the market on a significant mineralised intercept following the resumption of drilling activities at this prospect. Drilling was delayed during the earlier part of 2012 due to access issues associated with heavy rain throughout the whole of central NSW.

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.

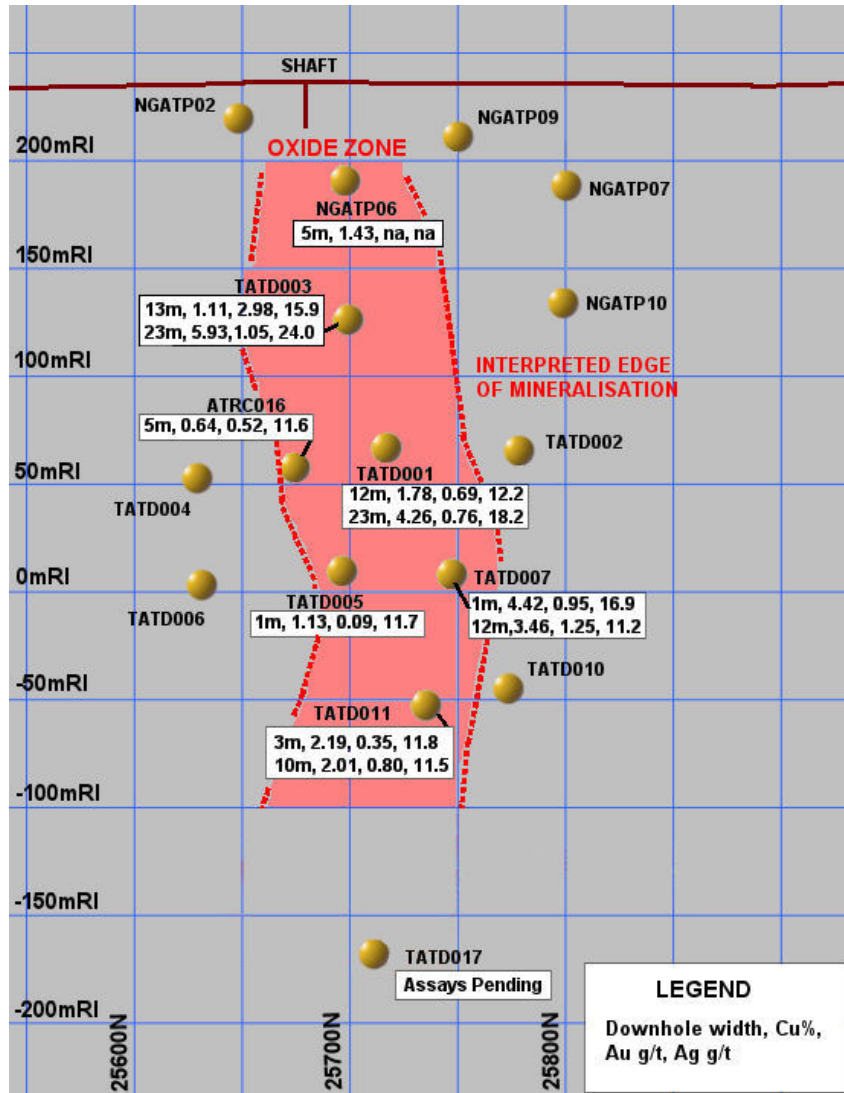
Straits had completed twelve diamond holes up to and including the report made to the ASX on the 2nd December 2011. Since resuming drilling in March 2012, a further four holes (TATD013 to TATD017) have been completed at the Avoca Tank prospect. Due to the access issues noted above lower priority holes TATD013 to TATD015 were drilled into what is believed to be part of an east-west orientated "feeder system" to the main north-north-west orientated massive sulphide lenses. Alteration and lower tenor mineralisation were intercepted in these holes (assays results are awaited).

TAD017: 484850mE, 6548590mN, AGD66 Zone 55, 210RL, -60° Dip, 238.4° True Azimuth.

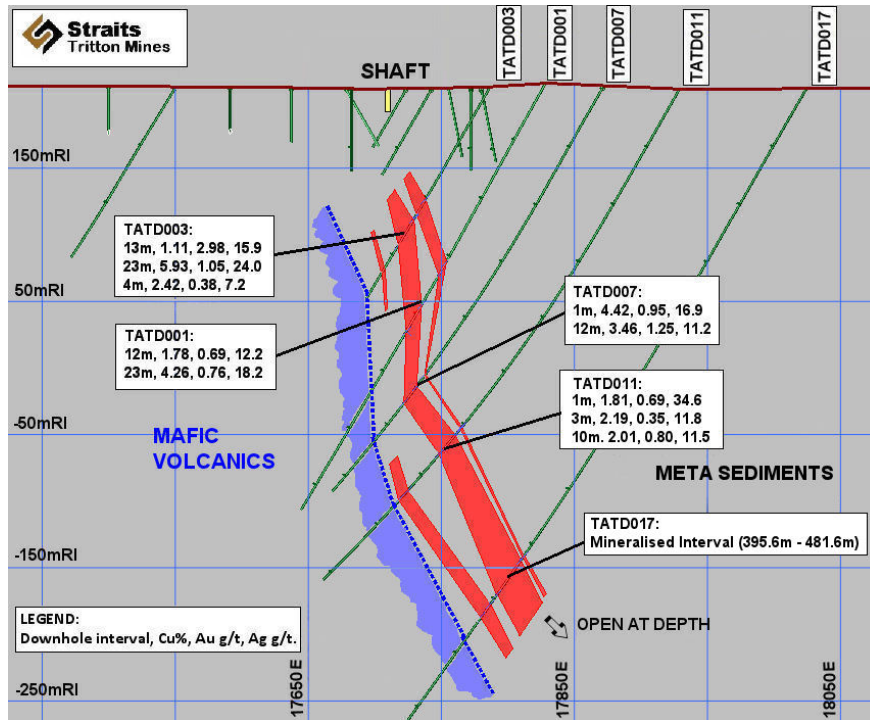
The first hole TATD017 targeting the main lens at depth below TATD011 (TATD016 was terminated at 115m due to deviation) has returned a stunning visual intersection, +100 metres down plunge of TATD011 (see sections attached). This extends the known mineralisation of the high grade lens at Avoca Tank, significantly, which now has a down plunge extent of some 400 metres. The mineralisation remains open at depth and along strike. The mineralised package in TATD017 is a total of at least 60 metres wide (slightly oblique so true thickness unknown) and contains a number of high grade massive sulphide lenses containing chalcopyrite, pyrite & sphalerite (see photo's attached). Assay results for this hole are awaited and expected within the next two weeks.

This latest drill hole confirms the major discovery at Avoca Tank made last year and validates that we are sitting on a major find. Drilling continues with a further 5 holes planned in the short term to test the mineralisation at depth.

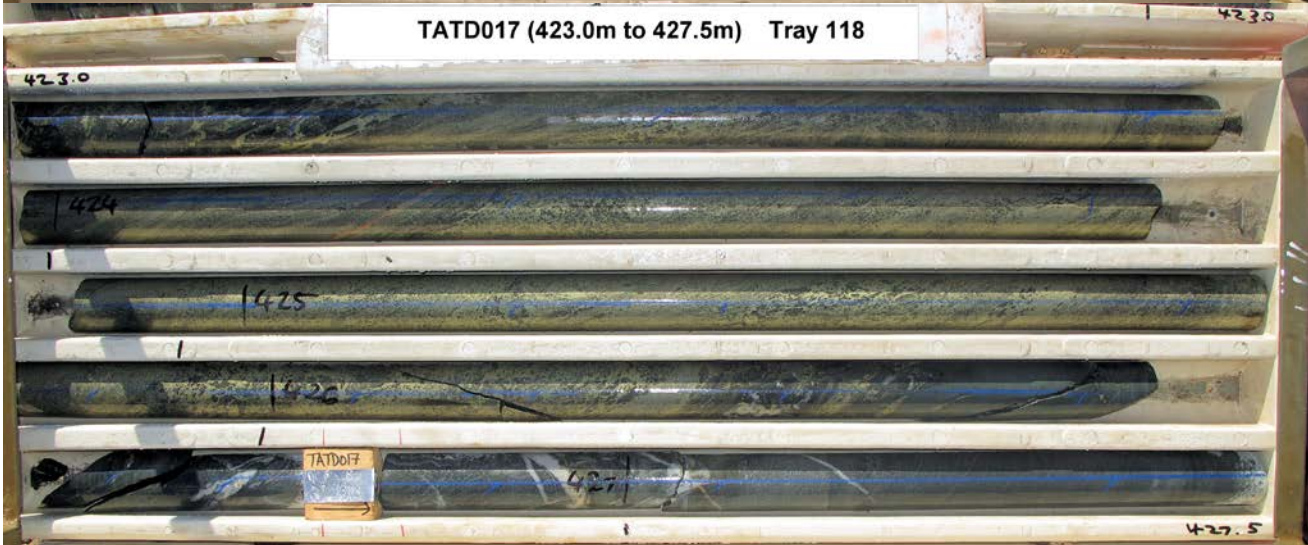
The seventeen holes drilled so far have only covered a very small portion of the larger Avoca Tank Complex (ATC) and the potential for further discoveries remains extremely high.



Long-section of the Avoca Tank Prospect drilling



Cross-section Avoca Tank Prospect drilling

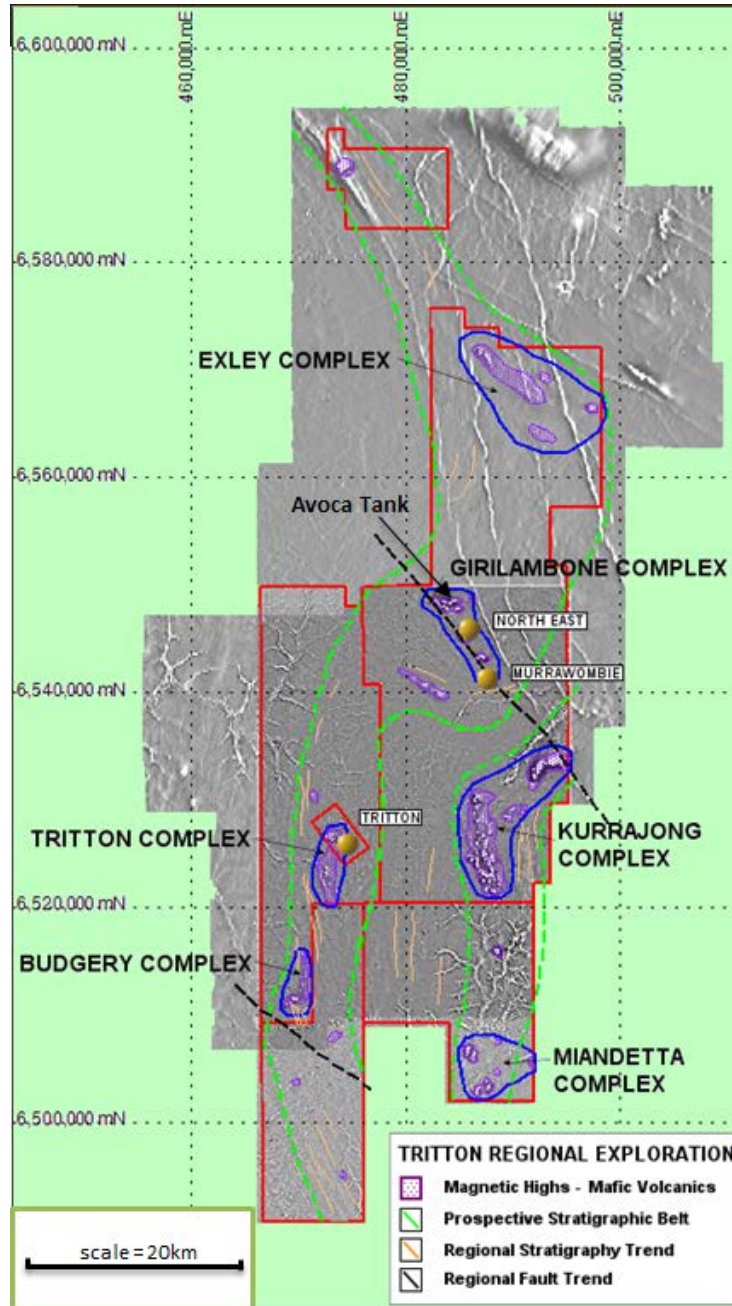






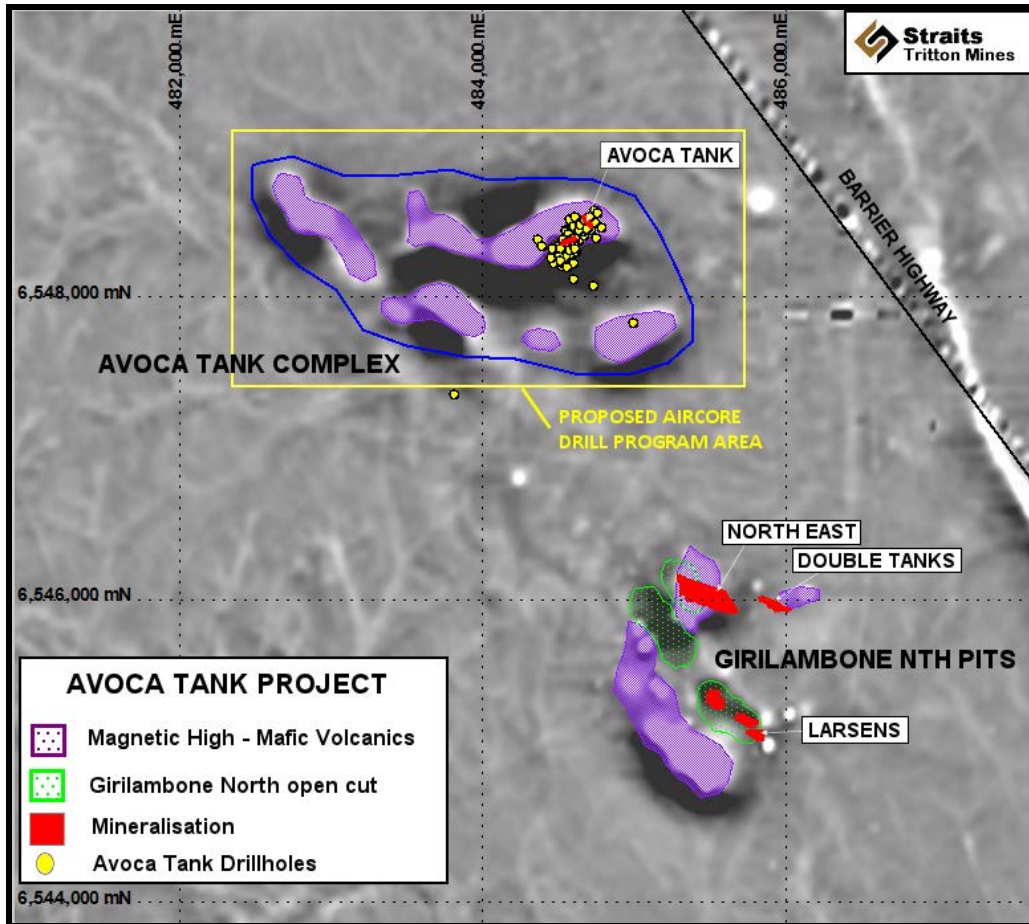


Exploration to date has only concentrated on a small percentage of the ATC and the ATC is only one of a number of similar type prospective complexes covering a large area (approximately 100 km long corridor) in the Tritton area (see figure below). Each of these complexes is characterised by the presence 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.



Regional diagram showing location of the Tritton mines and Mafic Complexes

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



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.