

STRAITS RESOURCES LIMITED
(ASX: SRQ)

Avoca Tank – Exploration Update

Further to our announcements to the ASX in April 2012, Straits wishes to update the market on exploration at the Avoca Tank 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 announcing the stunning results from TATD017 in April 2012, a further four holes have been drilled testing the Avoca Tank high grade lens. TATD018 & TATD019 tested along strike from TATD017 and TATD020 and TATD021 tested down plunge.

TATD018 defined the northern extent of the main lens intersecting strong magnetite alteration in the hanging wall of the ore zone. TATD019 intersected a mineralised horizon which includes;

- **7 metres at 3.7% Cu from 385 metres down hole**

In addition to the copper intercept two discreet gold zones have been identified below the copper zone;

- **2 metres at 1.6 g/t gold from 394 metres down hole & 2 metres @ 4.2 g/t gold from 403 metres down hole**

Drilling down plunge, TATD020 deviated from its planned path and skirted the ore zone to the north intersecting weak mineralization over a 15 metre interval. TATD021 intersected the ore horizon approximately 40 metres below TATD017 and intersected a zone of disseminated mineralisation before passing into 2 metres of semi massive mineralisation. Assay results are awaited for TATD021.

The ore zone remains open along strike and down plunge to the south. Down hole geophysics (down hole EM - DHEM) just completed on TATD021 indicates a significant down plunge and off-hole conductor but clearly more drilling is required to help understand the geometry of the deposit. The DHEM suggests that below TATD017 the high grade lens may roll over and has a steep southerly plunge (as opposed to a northerly plunge above). Significant assay results are shown in the Table below.

The twenty one holes drilled to date have only covered a very small portion of the larger Avoca Tank Complex (ATC) and the potential for further discoveries remains extremely high. Mineralisation remains open at depth and along strike of the identified mineralised structure.

Resource/reserve definition drilling at Avoca Tank is expected to commence in June 2012. This is being expedited in order to progress the mining lease application and associated approvals at Avoca Tank.

Avoca Tank Significant Copper Assay Results:

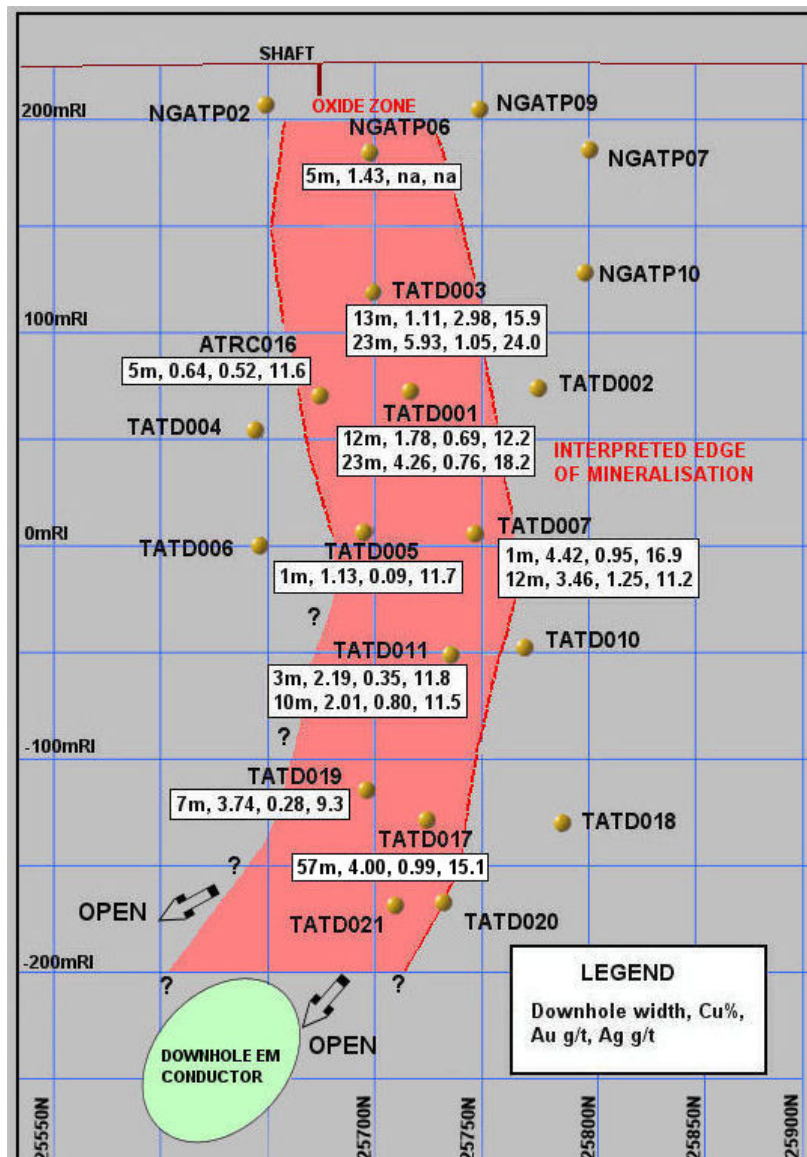
Hole Id	East AMG	North AMG	Dip	Az (mag)	From (m)	Width (m)	Cu %	Zn %	Au g/t	Ag g/t
TATD019	484868	6548561	-60	229	385	7	3.74	0.66	0.28	9.3
					404	1	0.51	0.60	5.44	56.5

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

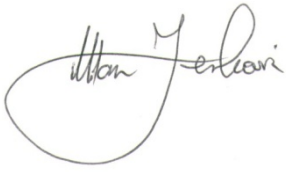
Avoca Tank Significant Gold Assay Results:

Hole Id	East AMG	North AMG	Dip	Az (mag)	From (m)	Width (m)	Cu %	Zn %	Au g/t	Ag g/t
TATD019	484868	6548561	-60	229	394	2	0.17	1.42	1.58	15.2
					403	2	0.43	0.57	4.21	47.0

Note: (1.0 g/t Au cut-off grade, max 3m internal dilution) Datum AGD66



Long-section of the Avoca Tank Prospect drilling. Awaiting assays for TATD020 & TATD021.



Milan Jerkovic

Chief Executive

For further information, please contact:

Mr. Milan Jerkovic – Chief Executive Officer or

Mr. Dave Greenwood – EGM External Affairs and Exploration

Tel: +61 8 9480-0500, or visit our website at www.straits.com.au

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.