

**STRAITS RESOURCES LIMITED
(ASX: SRQ)****EARLY REPAYMENT OF \$2.1m LOAN BY MAGONTEC**

Straits is pleased to announce that it has reached agreement with Magontec Ltd (Magontec) (ASX: MGL) for the early repayment of a \$2.1 million loan owed to Straits. The agreement with Magontec includes the following undertakings:

- Straits is the holder of Convertible Notes (CLN's) in Magontec with a face value of \$6.869 million. Straits will convert CLN's with a face value of \$5.908 million into approximately 112 million Magontec shares prior to 15 December 2013. Following conversion Straits' holding in Magontec will rise to 152.536 million shares, equivalent to 19.9% of total issued capital;
- The repayment date for the \$2.1 million loan by Straits to Magontec will be amended to 17th January 2014 (previously 31 December 2014); and
- Straits will be entitled to nominate the appointment of a non-executive director to the board of Magontec.

Straits Executive Chairman, Andre Labuschagne said "we continue to seek opportunities to simplify the Straits business and maximise the value from our non-core assets. This agreement enables us to accelerate the repayment of the loan whilst taking a more active role in the future development of our investment in Magontec."



Andre Labuschagne
Executive Chairman

For further information, please contact:

Mr. Andre Labuschagne
Executive Chairman
Tel: +61 7 3034 6200, or visit our website at www.straits.com.au

Media:

Annette Ellis
Cannings Purple
Tel: +61 8 6314 6300
aellis@canningspurple.com.au

Warrick Hazeldine
Cannings Purple
Tel: +61 8 6314 6300
whazeldine@canningspurple.com.au