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ASX/MEDIA RELEASE

STRAITS RESOURCES LIMITED
(ASX: SRQ)

CLOSE OUT OF TRITTON COPPER SWAP FACILITY AND BRIDGE TO DEBT RESTRUCTURE

Straits Resources Limited (**Straits**) is pleased to announce that it has executed a term sheet which contemplates the close out of the existing Tritton Copper Swap Facility with Standard Chartered Bank (**SCB**) and, subject to formal documentation, replacement of that facility with a Bridging Loan with SCB (**Close Out and Bridge Loan**).

Straits' Executive Chairman, Andre Labuschagne said the Bridging Loan will provide the time and certainty necessary for Straits and SCB to achieve a longer term restructure of the debt facilities (**Debt Restructure**).

"This is a significant step forward for both Straits and SCB, as it defines the value of the debt owed to SCB and provides a platform for both parties to work together to finalise a restructure. We have a strong and long-standing relationship with SCB, which is also a significant shareholder at an equity level, and we expect this to continue as we finalise the Close Out and Bridging Loan and agree and implement the longer term Debt Restructure."

Execution of formal agreements to reflect the Close Out and Bridge Loan will be entered into by no later than 13 June 2014 (**Agreement Date**) and the Debt Restructure must be completed within five months of the Agreement Date.

The Bridging Loan will not exceed US\$113.6 million and is made up of the amount required to repay the existing Copper Swap Facility (current mark-to-market of US\$99.9 million), with the balance (US\$13.7 million) available to repay the Working Capital Facility (Facility Agreement).

Key terms of the Bridging Loan include:

- Facility Amount – up to US\$113.6 million
- Tenor – five months from the Agreement Date
- Repayment – Bullet repayment on maturity
- Interest – LIBOR + 6% PIK (payment in kind)
- Security – as per existing Facility Agreement
- Reps and Warranties – as per existing Facility Agreement
- Refinancing Plan – a Refinancing Plan to be agreed with SCB within two months of the Agreement Date and all necessary documentation and approvals to be finalised within five months of the Agreement Date
- Conditions Precedent – customary for transactions of this nature
- Hedging – Straits and SCB to agree a satisfactory hedging programme for the copper production of the Tritton Mine during the life of the Facility

Straits will continue to keep shareholders updated with regards to progress on the restructure.

ENDS

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