

STRAITS RESOURCES LIMITED
(ASX: SRQ)

UPDATE ON BANKRUPTCY PROCEEDINGS FOR STRAITS' INDONESIAN SUBSIDIARY

Straits Resources Limited (**Straits**) provides the following update on the progress of the petition for voluntary bankruptcy (**Bankruptcy Application**) lodged by Straits' wholly owned subsidiary, PT Indo Muro Kencana (**PT IMK**).

As previously advised, the hearing of the Bankruptcy Application was effectively postponed until a Suspension of Payment (SOP) application lodged by one of PT IMK's creditors, PT Multi Nitrotama Kimia (PT MNK), could be finally decided. On 3 March 2014 the Commercial Court ruled that PT IMK was to be made subject to a Temporary SOP (TSOP) until 17 April 2014. At a Court Hearing on 17 April 2014, the Presiding Judges agreed to further extend the TSOP until 13 June 2014.

A draft Settlement Plan was subsequently prepared and presented by the court appointed Administrator to the PT IMK creditors (**Creditors**) at a series of meetings (**Creditor Meetings**) in early June 2014. At these Creditor Meetings, more than 2/3 of the acknowledged Creditors and more than 1/2 of the Creditors who attended the Creditors Meetings voted in favour of extending the TSOP in order to provide a further opportunity for the draft Settlement Plan to be finalized.

On 13 June 2014, after taking into account the preference of the Creditors, as reflected in the votes cast at the Creditor Meetings, the Presiding Judges agreed to an extension of the TSOP for a further 120 days until 10 October 2014.

PT IMK continues to work with the Administrator in an endeavour to arrive at a Settlement Plan that is in a form acceptable to PT IMK. This would then enable PT IMK to present the Settlement Plan, to a subsequent Creditors' Meeting, as the PT IMK proposed Settlement Plan which is what is contemplated by the Bankruptcy Law.

A SOP, inclusive of the initial TSOP and its extensions, should not last for more than 270 days in total. While so long as the SOP continues, PT IMK cannot be declared bankrupt and all recovery actions by PT IMK creditors are on hold.



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:

Michael Vaughan / Annette Ellis
Cannings Purple

Tel: +61 8 6314 6300

mvaughan@canningspurple.com.au / aellis@canningspurple.com.au