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ASX/MEDIA RELEASE

STRAITS RESOURCES LIMITED
(ASX: SRQ)

STRAITS EXECUTES AGREEMENT TO RESTRUCTURE CONVERTIBLE NOTES

Straits Resources Limited (**Straits**) is pleased to advise it has signed a binding agreement (**Agreement**) with Credit Suisse International (**CS**) which will result in a restructure of the US\$7 million Convertible Notes (**Notes**) held by CS.

Under the terms of the Agreement Straits will redeem US\$1.0472 million of Notes from CS at face value following completion of the Debt Restructuring (**Restructure**), announced by Straits on 3 August 2015.

The remainder of the Notes (**Conversion Notes**) will mandatorily convert into 245,000,000 ordinary shares (pre-consolidation) in Straits on the new maturity date of the Notes (which is 5 business days after the Restructure being completed).

Once the Notes are redeemed and converted as described above, Straits will not have any Notes on issue.

As the Agreement varies the terms of the Notes, Straits will seek shareholder approval at a meeting to be convened for the Restructure generally.

In separate arrangements, Straits is aware that CS have agreed to sell the Conversion Notes to third parties, the commercial terms of which are confidential. Straits is not a party to these arrangements.

The execution of the Agreement is an important milestone for Straits as restructuring the Notes was a condition precedent to the Restructure completing.

Straits Executive Chairman, Andre Labuschagne said "this is a significant step forward for Straits and our financiers and enables us to finalise the Notice of Meeting for the Extraordinary Meeting of Shareholders (EGM) required to approve the Restructure. We expect the EGM to be held in mid-December."

ENDS

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