



12 January 2010

To: Company's Announcement Office  
ASX Limited

**STRAITS ASIA RESOURCES LIMITED**

Please find attached Straits Asia Resources Limited announcement to the SGX on Tuesday evening, 12 January 2010.

Straits Resources Limited

A handwritten signature in black ink that reads 'Mark Hands'.

**Mark Hands**  
Company Secretary

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**About Straits Resources**

Straits Resources is an ASX 200 diversified resources company focussed on generating strong and sustainable earnings for its shareholders from a balanced portfolio of resource projects and investments. Based in Perth, the company has a management team with an impressive track record of advancing resource projects through to full production. Straits controls and operates the Tritton Copper Operation and Hillgrove antimony/gold mines in NSW and the Mt Muro gold mine in Indonesia. Straits also holds 40% of PTT Asia Pacific Mining Pty Ltd which holds 45.60% of Straits Asia Resources which is listed on the Singapore Exchange. Straits Asia controls and operates the Sebuk and Jembayan coal mines in Indonesia. In addition, Straits has an exposure to an outstanding portfolio of mining investments, development projects and exploration ground throughout Australia and Indonesia. Straits Resources also owns GfE and Magontec, European based specialty metals businesses.



**Straits Asia**  
Resources

**STRAITS ASIA RESOURCES LIMITED**

*(Incorporated in the Republic of Singapore on June 10, 1995)*

*(Company Registration Number: 199504024R)*

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**SALE OF MARINE ENGINEERING BUSINESS**

**Singapore: 12 January 2010:** Straits Asia Resources Limited (**Straits Asia**, SGX:SAR) announces that it has sold 100% of the share capital of Straits Asia Engineering Pte Ltd (**SAE**) to a consortium including the management team of SAE and Richard Ong (**Consortium**), for an aggregate purchase price of US\$4 million. The sale follows a strategic review of the marine engineering unit and a decision that it is not core to Straits Asia's mining business.

The marine engineering business employs approximately 300 people. In the 12 months ended 31 December 2009, SAE and its operating subsidiary PT Indo Straits (**PTIS**), are estimated to have achieved a consolidated net profit after tax of US\$213,000. The value of the investment in SAE in the books of Straits Asia is US\$4.0 million. The consolidated net book value of SAE and its subsidiary as at 31 December 2009 is estimated at US\$6.8 million and the sale is estimated to result in a book loss of approximately US\$2.8 million to Straits Asia for 2009. PTIS was independently valued for Straits Asia as a going concern, including ownership of the Straits Phoenix (the crane barge used for transshipping coal for Jembayan mine) at US\$5.6 million in November 2009. The sale excludes ownership of the Straits Phoenix.

The price was agreed by direct negotiation between Straits Asia and the Consortium on an arm's length basis. The transaction took into account Straits Asia's wish to conclude a sale of the marine business quickly and in a manner that assured Straits Asia would continue to have reliable, dedicated and long-term use of key marine assets and services. The sale is not expected to have a material effect on either the net tangible assets or earnings per share of SAR.

No controlling shareholder or director of Straits Asia, except for Richard Ong, has any interest in the sale of the marine business. Richard Ong has advised his interest is less than 30% in the Consortium. Accordingly the sale is not an interested person transaction for Straits Asia.

By Order of the Board  
Graeme Tivey  
Company Secretary

12 January 2010