



**Straits Asia's FY08 net profit jumps 336% to US\$124.4 million  
on record earnings, sales and production**

- ❖ 8.6Mt of production and sales (154% and 148% increases over 2007)
- ❖ \$124.4m net profit (336% increase over 2007)
- ❖ Final cash dividend of 2.18 US cents per share recommended
- ❖ Total 2008 dividends 6.83 US cents (290% increase over 2007)

US\$'M	Q4 2008	Q4 2007	Change	FY2008	FY 2007	Change
Sales revenue	151.7	61.3	147%	585.2	250.9	133%
Profit after tax	39.6	9.6	312%	124.4	28.6	336%

**Singapore – 24 February 2009 - Straits Asia Resources Limited** (Straits Asia, SGX: SAR) today announced a 336% jump in full-year net profit to US\$124.4 million for FY2008 ended 31 December 2008.

This was achieved on the back of a 133% surge in revenue to US\$585.2 million boosted by record coal production of 8.6 million tonnes (Mt) at its two thermal coal mines at Sebuk and Jembayan in East Kalimantan. These mines combined to produce a strong recovery in the 4<sup>th</sup> quarter for 2008 after heavy rainfall in the middle and third quarter of the year.

		Q4 2008	Q4 2007	FY2008	FY2007
Coal produced	t'000	2,036	1,207	8,586	3,382
Coal sold	t'000	2,101	1,423	8,592	3,465

*Strong Balance Sheet*

The Group's balance sheet was very strong after being bolstered by strong cash flows throughout the year, topped off by the US\$300 million refinancing facility obtained from Standard Chartered Bank in November 2008. At the end of FY2008, the Group's net assets increased from US\$304.2 million to US\$375.7 million. Net debt was US\$125 million.

*Dividend*

A final tax exempt cash dividend of 2.18 US cents per share is recommended for payment on 22 May 2008, taking the payout for 2008 to 6.83 US cents, exactly in line with the Straits Asia's 60% net profit dividend payout policy.

*CEO Comments*

Richard Ong, Straits Asia's Chief Executive Officer said, "The numbers speak for themselves. This is an impressive set of results and everyone associated with Straits Asia should be proud of these achievements and their contribution. The fact that Straits Asia can confidently maintain a 60% dividend payout is testament to the Group's financial and operational strength."

*Coal*

The Group's Jembayan mine continued to impress. It achieved its target of not less than 5 million tonnes of production in 2008 while undergoing a rigorous exploration programme and a major capacity expansion. Jembayan began 2009 with JORC reserves of 112 million tonnes, another two-thirds of its concession still to be explored and infrastructure to upgrade its capacity to 11 mtpa progressing well.



Sebuku maintained its low cost production profile and also marginally exceeded 2007's production record of 3.4 million tonnes.

Unit costs increased during 2008, they were affected in particular by diesel price increases as oil prices spiralled during 2008 and are now benefitting from the steep decline that began in the latter part of 2008.

*Marine and Infrastructure*

PT Indo Straits also had a record year producing revenues of US\$14.4 million from third party business (2007: US\$13.4 million). More importantly, the Division had a key role in the infrastructure upgrades that have been progressing at Jembayan and Sebuku.

*Other*

Significant exploration work continues at Jembayan. To date the exploration programme has been limited to an area covering only one-third of the total Jembayan property. The exploration programme will continue through 2009. Analysis of the programme to date has enabled Straits Asia once more to upgrade its JORC Resource and Reserve Statement (*note 1*).

<b>Coal Resources (Tonnes (Mt)) as at 31 December 2008</b>	<b>Measured</b>	<b>Indicated</b>	<b>Inferred</b>	<b>Total</b>
<b>Jembayan Total</b>	20	151	83	254
<b>Coal Reserves (Tonnes ('Mt)) as at 31 December 2008</b>	<b>Proved</b>	<b>Probable</b>	<b>Total</b>	<b>Marketable</b>
<b>Jembayan Total</b>	13.2	99.2	112.4	112.4

*Outlook*

Mr Ong added, "Despite current economic conditions, our strategy is on track and Straits Asia will continue to pursue its long-term plans and targets. The longer-term outlook for thermal coal markets remains positive and by maintaining our vision and planning, I am sure that Straits Asia will see many opportunities in 2009 to help us in achieving our goals.

"Going forward, Straits Asia can continue to grow from the strong platform that has been laid in 2008. Our capital works programme is on schedule and will provide Straits Asia with increased capacity and the potential for significant increases in production. Our continuing investment in exploration and conversion of our large resource base and geological potential will underpin Straits Asia's growth. We are looking forward to another year of challenges and to returning real value to our shareholders."

<p>For further information please contact:</p> <p><b>Investors and Shareholders:</b></p> <p>Jim Carter Chief Financial Officer Tel: +65 6327 4111 <a href="mailto:james.carter@straitsasia.com">james.carter@straitsasia.com</a></p>		<p>Jeremy Figgins Group Manager, Corporate Affairs tel: +65 9616 7062 <a href="mailto:jeremy.figgins@straitsasia.com">jeremy.figgins@straitsasia.com</a></p>	<p><b>Media Enquiries:</b></p> <p>Ho See Kim August Consulting Tel: +65 9631 3602 <a href="mailto:seekim@august.com.sg">seekim@august.com.sg</a></p>
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[www.straitsasia.com](http://www.straitsasia.com)

**Note 1:**

The information in this report that relates to Mineral Resources and Ore Reserves is based on information compiled by Peter Storey, who is a member of the Australian Institute of Mining and Metallurgy. Mr. Storey is a full-time employee of Straits Resources Limited and has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Storey consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.