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Stratex International Plc ('Stratex' or 'the Company')

Interim Results

Stratex International Plc, the AIM-quoted exploration and development ('E&D') company focused on gold and base metals with targets in Turkey, Ethiopia and Djibouti, announces its results for the six month period ended 30 June 2010.

Overview

- Developing Inlice and Altıntepe gold projects in Turkey towards production alongside Turkish partner NTF – first gold pour expected at Inlice Q4 2011
- Highly active exploration programme in Turkey alongside mining majors Centerra Exploration B.V. and Teck Resources Limited:
  - Encouraging drill results from Öksüt including 80.30 metres @ 2.22 g/t Au (Centerra)
  - Drilling underway at Hasançelebi – mapping and sampling currently being conducted to define further possible targets (Teck)
- Utilising first-mover advantage in the Afar Depression – increased land position to 2,780 sq km straddling Ethiopia and Djibouti
- Exciting mapping and sampling results at Megenta gold discovery - sample values up to 16.2 g/t Au at original surface level of the epithermal system

Chairman's Statement

Dear Shareholder,

The last few months has seen extensive development of your Company as we move towards gold production at our Inlice and Altıntepe projects in Turkey and aggressively explore our highly prospective ground in the under-explored territories of Ethiopia and Djibouti to identify exciting new gold discoveries. We continue to drive your Company forward alongside dedicated mining majors to maximise value whilst minimising risk for shareholders. With these developments in mind, I believe that we are ideally positioned for measurable success in the coming months.

Our joint venture with NTF Insaat Ticaret Ltd Sti ('NTF'), a major Turkish construction and mining company, in respect to our Inlice and Altıntepe projects is progressing well as we advance the 542,318 ounce ('oz') oxide resources through feasibility studies towards production. Since signing the definitive agreement with NTF in April of this year, the joint venture company, NS Madencilik, has appointed Kappes, Cassiday & Associates as feasibility study manager at Inlice and metallurgical test work is currently being conducted on bulk samples shipped to their test facility in Nevada. Kappes, Cassiday & Associates is a leader in low-cost, heap-leach processing and our appointment of them underlines our commitment to quality work. We are working closely with NTF to ensure that first gold is poured at Inlice in the last quarter 2011.

The larger Altıntepe project, which has a resource of 472,318 oz oxide gold, is also proceeding well, with infill drilling underway on key parts of the project to upgrade the resource as part of a scoping study funded by NTF. Further to a positive outcome of the initial scoping, we anticipate Altıntepe being the subject of a full feasibility study with a view to moving towards gold production by the end of 2012.

The gold price continues to hold at the plus US$1,000 per ounce level, and the open-pit heap-leach operations anticipated for Inlice and Altıntepe should ensure that NS Madencilik will be a low-cost gold producer.

As the path to production progresses well, we continue to actively develop the exploration side of our business in both Turkey and Ethiopia.

Drilling is currently being conducted at our Öksüt high-sulphidation gold project in Turkey, which is being funded by our joint venture partnership with Centerra Exploration B.V. ('Centerra') and the Board is very excited by the first results from the latest phase of drilling:

ODD-17	51 metres grading 1.74 g/t Au;
ODD-18	30.3 metres grading 1.61 g/t Au ;
ODD-19	34.65 metres grading 2.26 g/t Au ;
ODD-20	109.7 metres grading 1.73 g/t Au
	including 80.3 metres grading 2.2 g/t Au.

The longest intersection to date is drill hole ODD-17 with 334.9 metres of oxide and sulphide material grading 0.52 g/t Au. Although this includes low-grade intersections, it highlights the possibility of taking the project to production as a low-grade but large-tonnage operation.

Öksüt already has an in-house resource of 147,814 oz of oxide gold, defined at the Ortaçam zone, the first of a number of mineralized zones to be drilled. The Board believes that the current drilling programme will lead to an increase in that figure but we also have a further five zones that will now be targeted for drilling. Three of these are outcropping silica zones similar in style to the Ortaçam

Zone but, more importantly, two of these targets exhibit features characteristic of porphyry-style alteration and mineralization. This type of target has been a focus for Stratex from day one as the Board has identified that deposits of a similar nature have ultimately become major deposits, a prime example being Eldorado Gold's Kisladag project in Turkey, with reserves of 6.8 Moz grading 0.97 g/t Au. We had early technical successes in our Konya project at Doğanbey and other prospects in the same volcanic belt. However, such is the nature of the E&D business that the Board is committed to develop only projects that show strong economic potential and, with this in mind, we continue to focus on our drilling programme at Öksüt, the results of which will be of great interest and are eagerly anticipated.

Drilling is also underway at Hasançelebi in central Turkey to assess the economic potential of this high-sulphidation gold project. The planned first phase of drilling, which has been funded by our joint venture partner Teck Madencilik Sanayi Ticaret A.S. ('Teck'), is targeting the highest gold grade, thickest silica, and deepest oxidation portions of the western part of the prospect. Mapping and sampling of other alteration zones are also underway to define further possible targets to be drill-tested during H2 2010 and we look forward to reporting these results in the near future.

Our expansion into the Afar Depression of Ethiopia has progressed rapidly as we continue to increase our exposure in this previously under-explored and exciting gold district. Having discovered the Megenta low-sulphidation epithermal gold project in November 2009, we have focussed our attention on further exploring the potential prospectivity of this project. Megenta has been mapped and sampled in detail with encouraging results. The presence of gold at the original surface level of the epithermal system, with sample values up to 16.2 g/t Au as we have defined at Megenta, bodes well for grade at depth within the controlling feeder faults. The Board is very excited by this discovery and our target here is for a high-grade vein system with 1 million ounces of contained gold.

We have expanded our ground holdings in the vicinity of Megenta and have also moved into neighbouring Djibouti where the same geology continues and gold has been defined in epithermal systems that are still poorly understood and under-explored. Our unique early-mover advantage has enabled the Company to build up a large land package of 2,780 sq km, something which has attracted the attention of the major companies. We intend to rapidly advance our programme in the Afar region, either in-house or by sharing the risk with a major partner, a strategy which has proven highly advantageous in the past.

Additionally, we also received positive gold results at the beginning of 2010 from our exploration programme on the 50 sq km Shehagne Exclusive Exploration Licence ('Shehagne EEL'), in northern Ethiopia. Stratex has the option to acquire 60% of the Shehagne project from our joint-venture partner Sheba Exploration (UK) Plc by expending £350,000. We have completed an initial programme of mapping and channel-chip sampling and results have been encouraging, with best intersections including 11 metres grading 4.39 g/t Au and 40 metres grading 1.40 g/t Au. We have also acquired and commenced exploration of a large licence area immediately to the east of Shehagne and look forward to updating the market on the early results soon.

The critical need for new discoveries that I have consistently highlighted before has been re-iterated by McKeith, Schodde and Baltis (Gold Discovery Trends in Society Economic Geologists Newsletter, April 2010), who point out that in recent years, notwithstanding significant investments, fewer high-quality discoveries have been made and the real costs per ounce discovered continue to rise. This report highlighted a number of issues that are considered critical within the industry and I am pleased to say that we at Stratex are addressing:

1. *Industry collaboration between producers and explorers* - Stratex has from the outset had Teck Resources as a partner. We have grown our association with other producers such as Centerra and look to increase this as our new discoveries are appreciated.

2. *Committing to grassroots exploration and longer-term investment horizons* - Stratex has always been committed to grassroots exploration and we have been successful with new grassroots discoveries such as Inlice, the Konya Belt, Öksüt, Megenta and the new Afar epithermal district.

3. *Focus on discovery of high-quality, high-margin gold deposits* - We have used our discoveries to provide a platform for a new gold production company; despite their size, both Inlice and Altıntepe have the potential to be high- margin deposits as low-cost producers.

4. *Marked improvement in exploration effectiveness through use of skilled teams coupled with the application of improved geological understanding of conceptual deposit models* - Our track record in discovery highlights the Company's exploration effectiveness. The use of conceptual geological deposit models and their application has directly led to the exciting Megenta low-sulphidation discovery in a region of Ethiopia where no known gold was previously considered to exist.

Looking ahead, the Board is confident that Stratex will continue to grow and add value to its shareholders through its commitment to becoming a significant gold-producer and by continuing to deliver important new discoveries. I would like to thank you for your ongoing support and to thank Bob Foster and his technical team on their remarkable discovery rate, and also my fellow Board members for their excellent contributions to running Stratex International plc.

David J. Hall

Executive Chairman

Interim Results

Statement of Consolidated Comprehensive Income

	6 months to 30 June 2010 Unaudited £	6 months to 30 June 2009 Unaudited £
Continuing operations		
Revenue	-	-
Administration expenses	(888,818)	(629,111)
Exchange losses - net	(1,276)	(160)
Operating loss	(890,094)	(629,271)
Finance income	10,691	34,723
Share of loss of associate	(16,111)	-
Loss on sale of subsidiary company	(1,209,215)	-
Loss before income tax	(2,104,729)	(594,548)
Income tax	-	-
Loss for the period	**(2,104,729)**	**(594,548)**
Other comprehensive income		
Exchange differences on translating foreign operations	301,167	(641,709)
Other comprehensive income, net of tax	**301,167**	**(641,709)**
Total comprehensive income attributable to equity holders of the company	**(1,803,562)**	**(1,236,257)**
Loss attributable to equity holders of the company	**(2,104,729)**	**(594,548)**
Loss per share for losses from continuing operations attributable to the equity holders of the company - basic and diluted	**(0.75)p**	**(0.25)p**

Statement of Consolidated Financial Position

	30 June 2010 Unaudited £	30 June 2009 Unaudited £	31 December 2009 Audited £
ASSETS			
Non-current assets			
Furniture, fittings and equipment	206,453	137,760	156,201
Investments accounted for using the equity method	543,439	-	-

Investments	72,167	-	40,000
Intangible assets	2,762,149	3,717,715	3,607,182
Other receivables	148,541	96,766	128,625
Deferred tax assets	134,671	131,842	126,101
	3,867,420	4,084,083	4,058,109
Current assets			
Trade and other receivables	970,198	601,433	726,266
Cash and cash equivalents	2,144,527	2,595,897	1,727,643
	3,114,725	3,197,330	2,453,909
Intangible assets held for sale	74,756	-	70,000
Total assets	**7,056,901**	**7,281,413**	**6,582,018**
EQUITY & LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Ordinary shares	2,867,764	2,342,394	2,495,469
Share premium	9,312,382	8,192,829	8,443,778
Other reserves	652,077	(78,074)	282,253
Accumulated losses	(6,921,208)	(3,268,033)	(4,816,479)
	5,911,015	7,189,116	6,405,021
Non-current liabilities			
Employee termination benefits	8,545	6,297	8,001
Deferred tax liabilities	1,171	9,267	1,097
	9,716	15,564	9,098
Current liabilities			
Trade and other payables	1,136,170	76,733	167,899
	1,136,170	76,733	167,899
Total equity and liabilities	**7,056,901**	**7,281,413**	**6,582,018**

Statement of Consolidated Changes in Equity

	Share Capital £	**Share Premium £**	**Merger Reserve £**	**Shares under option £**	**Accumul-ated loss £**	**Translation reserve £**	**Total £**
As at 1 January 2010	**2,495,469**	**8,443,778**	**(485,400)**	**634,452**	**(4,816,479)**	**133,201**	**6,405,021**
Issue of ordinary shares	372,295	930,736	-	-	-	-	1,303,031
Cost of share issue	-	(62,132)	-	-	-	-	(62,132)
Share based payments	-	-	-	18,297	-	-	18,297

Comprehensive income for the period	-	-	-	-	(2,104,729)	351,527	(1,753,202)
As at 30 June 2010	**2,867,764**	**9,312,382**	**(485,400)**	**652,749**	**(6,921,208)**	**484,728**	**5,911,015**

	Share Capital £	Share Premium £	Merger Reserve £	Shares under option £	Accumul-ated loss £	Translation reserve £	Total £
As at 1 January 2009	**2,342,394**	**8,192,829**	**(485,400)**	**462,982**	**(2,677,289)**	**537,349**	**8,372,865**
Share based payments	-	-	-	52,508	-	-	52,508
Share options forfeited	-	-	-	(3,804)	3,804	-	-
Comprehensive income for the period	-	-	-	-	(594,548)	(641,709)	(1,236,257)
As at 30 June 2009	**2,342,394**	**8,192,829**	**(485,400)**	**511,686**	**(3,268,033)**	**(104,360)**	**7,189,116**

Statement of Consolidated Cash Flows

	6 months to 30 June 2010 Unaudited £	6 months to 30 June 2009 Unaudited £	12 months to 31 December 2009 Audited £
Cash inflow from operating activities			
Loss before income tax	(2,104,729)	(594,548)	(2,144,926)
Interest income	(10,691)	(34,723)	(42,966)
Depreciation	30,851	28,785	60,276
Share of losses of associated companies	16,111	-	-
Loss on sale of subsidiary company	1,209,215	-	-
Project impairment write-offs	-	-	491,655
Issue of shares other than for cash	-	-	401,474
Issue of share options	18,294	52,508	180,459
Foreign exchange loss (net)	71,182	(96,951)	(40,836)
Operating loss before changes in working capital	(769,767)	(644,929)	(1,094,864)
(Increase)/decrease in other receivables	(567,077)	83,515	(73,177)
Increase/(decrease) in trade and other payables	187,021	(9,081)	83,789
Cash used in operating activities	**(1,149,823)**	**(570,495)**	**(1,084,252)**
Cash flows from investing activities			
Proceeds from the sale of subsidiary company	656,863	-	-

Purchase of property, plant and equipment	(72,676)	(699)	(44,692)
Purchase of investments	(32,167)	-	(40,000)
Purchase of intangible assets	(495,549)	(180,654)	(1,009,613)
Interest received	10,691	34,723	42,966
Net cash inflow/(used) in investing activities	**67,162**	**(146,630)**	**(1,051,339)**
Cash flows from financing activities			
Net proceeds from the issue of ordinary shares	1,240,899	-	2,550
Funds received from project partners	258,646	-	547,662
Net cash inflow from financing activities	**1,499,545**	**-**	**550,212**
Net decrease in cash and cash equivalents	(416,884)	(717,125)	(1,585,379)
Cash and cash equivalents at the beginning of the period	1,727,643	3,313,022	3,313,022
Cash and cash equivalents at the end of the period	**2,144,527**	**2,595,897**	**1,727,643**

Notes to the unaudited financial statements

1. Basis of preparation
The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

2. Financial Information
The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Except as described below, the accounting policies applied in preparing the interim financial information are consistent with those that have been adopted in the Group's 2009 audited financial statements. Statutory financial statements for the year ended 31 December 2009 were approved by the Board of Directors on 5 March 2010 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

Accounting Policies
New and amended standards adopted by the Group
IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements' and IAS 28, 'Investments in associates', are effective prospectively to acquisitions and disposals where the acquisition or disposal date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

IAS 27 (revised), 'Consolidated and separate financial statements' specifies the accounting when control over a subsidiary is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. IAS 27 (revised) impacts upon the Group's results for the period ended 30 June 2010 due to a partial disposal whereby a subsidiary company of the Group became an associate (see Note 4).

Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group

- IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods commencing on or after 1 July 2009. This is not currently applicable to the Group.
- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not currently applicable to the Group.
- IFRS 2 (amendment), 'Group cash settled share based payments', effective for annual periods commencing on or after 1 January 2010. This is currently not applicable to the Group.

The financial information for the 6 months ended 30 June 2010 and the 6 months ended 30 June 2009 has not been audited.

3. Operating Segments
The Group operates in three geographical areas and its operations are managed on a project by project basis within each geographical area. The following segments are based on the management reports received by the Directors and used to make strategic decisions. The main segments are:

a. Turkey – exploration for gold and other high-value metals.
b. East Africa – exploration for gold and other high-value metals.
c. UK – identification of new exploration opportunities and the provision of administration and support services to the Group.

The allocation of losses, assets and liabilities by operating segment is as follows:

Loss for the period:

	6 months to 30 June 2010				6 months to 30 June 2009			
	Turkey	**East Africa**	**UK**	**Total**	**Turkey**	**East Africa**	**UK**	**Total**
Operational costs	375,616	226,570	286,632	**888,818**	272,954	37,159	318,998	**629,111**
Intercompany interest	65,834	-	(65,834)	**-**	54,452	-	(54,452)	**-**
Interest receivable	(11)	-	(10,680)	**(10,691)**	-	-	(34,723)	**(34,723)**
Exchange (gains)/losses	1,047	1,522	(1,293)	**1,276**	-	-	160	**160**
Associate company	16,111	-	-	**16,111**	-	-	-	**-**
Loss on sale of subsidiary	1,209,215	-	-	**1,209,215**	-	-	-	**-**
Loss for the period	**1,667,812**	**228,092**	**208,825**	**2,104,729**	**327,406**	**37,159**	**229,983**	**594,548**

Assets and liabilities:

	6 months to 30 June 2010				6 months to 30 June 2009			
	Turkey	**East Africa**	**UK**	**Total**	**Turkey**	**East Africa**	**UK**	**Total**
Assets	2,625,197	96,982	4,334,722	**7,056,901**	1,712,461	-	5,568,952	**7,281,413**
Liabilities	1,055,229	30,382	60,275	**1,145,886**	53,373	-	38,924	**92,297**

4. Sale of subsidiary

On 27 January 2010 54% of the wholly-owned subsidiary NS Madencilik Sanayi ve Ticaret Anonim Sirketi AS (‘NSM’) was sold to the Turkish company NTF Insaat Ticaret Ltd Sti ('NTF') in return for an immediate cash payment of US$1 million (£656,863). The book value of the net assets of NSM sold to NTF totalled £1.3m. Under the provisions of IAS 27 (revised) ‘Consolidated and Separate Financial Statements’, any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in the Statement of Comprehensive Income. On this basis the loss on disposal of NSM amounted to £1,209,215. The portion of the loss which is attributable to re-measuring the Group’s remaining 46% interest to fair value amounted to £556,238.

The sale was part of an agreement with NTF for the fast tracking of the development of Inlice and Altintepe gold projects in Turkey. Under the terms of the agreement, in addition to the payment of US$1million, NTF have committed up to US$2 million of funding for a feasibility study at Inlice and US$0.5million for a scoping study at Altintepe, with an option to earn 55% in the Altintepe project by spending up to a further US$2 million for a feasibility study.

5. Share capital and share premium

On 27 January 2010 37,229,443 ordinary shares of 1 pence each were issued fully paid at 3.5 pence per share.

6. Related party transactions

Directors and key management personnel received total remuneration of £ 174,221 for the six months ended 30 June 2010 (six months ended 30 June 2009 - £ 159,107).

7. Loss per share

The calculation of loss per share is based on the loss attributable to equity holders of the Company of £2,104,729 for the period ended 30 June 2010 (30 June 2009: £594,548) and the weighted average number of shares in issue in the period ended 30 June 2010 of 279,805,578 (30 June 2009: 234,239,442). There is no difference between the diluted loss per share and the loss per share shown.

8. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on Thursday, 5 July 2010.

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Independent review report to the Directors of Stratex International plc

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 which comprises the statement of consolidated comprehensive income, the statement of consolidated financial position, the statement of consolidated changes in equity, the statement of consolidated cash flows and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") and the AIM Rules for Companies.

The annual Financial Statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 as adopted by the European Union and the requirements of the AIM Rules for Companies.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union the AIM Rules for Companies.

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