



ASX ANNOUNCEMENT

7 December 2009

Syrah Signs HOA with Mashoura Company, Saudi Arabia

Syrah Resources (ASX:SYR) is pleased to announce that it has signed a Heads of Agreement to form an exploration and mining joint venture with Mashoura Company in Saudi Arabia.

Mashoura Company has a strong existing association with the mining industry in Saudi Arabia and has provided Syrah with valuable assistance since its entry into the Kingdom. A new joint venture company will be incorporated and will continue with Syrah's existing strategy of new project generation and exploration, with a focus on precious and base metals resource projects.

The Syrah and Mashoura joint venture will continue to grow a mineral prospect portfolio in Saudi Arabia on an ownership basis of 80% Syrah and 20% Mashoura. Mashoura has an option to increase its ownership of the joint venture company to 30% through the payment of US\$200,000 to Syrah after 12 months. Syrah's existing Saudi Exploration licence applications will be transferred into the joint venture company.

Syrah has agreed to fund initial joint venture activities to the amount of US\$2 million, after which each party will provide funding on a prorata basis, or may elect to dilute.

Syrah regards the formation of the new joint venture with a Saudi partner as a key ingredient to success in the Kingdom through the business connections it will provide and support with local administrative processes. The Company is pleased to be able form a partnership with Mashoura Company

Alistair Campbell
Managing Director
Syrah Resources Ltd

Syrah Resources - Registered Office:
Level 9, 356 Collins Street
Melbourne Victoria 3000

Syrah Resources - Directors & Management:
Mr Tom Eadie – Chairman
Mr Alistair Campbell – Managing Director
Mr Terry Lees – Exploration Director
Mr David Ogg – Company Secretary