

STRATEX INTERNATIONAL PLC

**CHAIRMAN'S UPDATE AND
INVITATION TO MINES AND MONEY CONFERENCE**

Dear Shareholder,

These are exciting times having made fantastic strides forward in developing our portfolio in Turkey!

On the 8th August 2006 we announced that the Inlice Project was the first confirmed new gold discovery in Turkey of the 21st Century. This followed the excellent intersection in drill hole INDD-11 which returned 38.85 metres grading 4.59 g/t Au from only 18.3 metres down the hole. The previous drill hole INDD-10, results of which were announced on 18th July, reported 32.20 metres grading 5.75 g/t Au. These holes are spaced some 200 metres apart.

Subsequently, on 9th October 2006 we announced that INDD-13, which had been drilled to test the area of no outcrop between INDD-10 and INDD-11, had intersected vuggy silica gold mineralisation averaging 2.96 g/t Au over 68.4 metres. The intersection included a high grade core similar to INDD-10 and 11 of 26.3 metres grading 5.6 g/t Au. One cannot emphasise enough how this significantly increases the scale and potential of the Inlice discovery. We have mapped numerous silica ledges on the property but the fact that there are silica zones present in areas of no outcrop opens up the size potential of the prospect.

In addition and also within the Inlice prospect, we recently announced the results of a soil sampling grid that have defined a coherent Au-Mo-As-Bi anomaly associated with an area of mapped hydrothermal breccias and silica ledges. This anomaly also extends southwards over an area covered by soil, suggesting that to date we have drilled only a small part of the system.

In summary we remain confident that Inlice has considerable potential and we will be extending our drilling programme on the prospect over the winter period.

Your Company is also continuing work on other projects in its quality pipeline. The Karaagac prospect is currently being drilled and encouraging gold intersections have been returned. Drilling will continue over the next two months. We have almost completed mapping and sampling of the Dikmen and Muratdere porphyry systems.

On a more general level we have expanded our exploration team in Turkey, and successfully completed a further £1.175 million in funding in late August. This was

initiated in response to a demand for shares from our broker's private-equity clients and sees us adequately funded to advance all the projects significantly.

We also continue to review opportunities elsewhere in Africa and Europe and are actively seeking new projects. However, given our successes, our major focus naturally remains on Turkey.

Stratex will be exhibiting at the world renowned Mines & Money conference (www.minesandmoney.com) in the Hilton London Metropole Hotel on Tuesday November 21st and Wednesday 22nd. We will have a stand, an exhibition of gold-bearing drill core from the Inlice discovery, and CEO Bob Foster will be making a presentation as a part of the Conference proceedings at 1.30 pm on the Wednesday.

There will be opportunities to meet the team, including Turkish GM Bahri Yildiz, as they staff the stand during the daytime and also at the Company's hospitality suite in the conference hotel between 5.00 pm and 7.00 pm on the Tuesday evening.

We are delighted to advise that Mr. Aziz Dogan from the Office of the First Economic Counsel of the Turkish Embassy in London will join us in the hospitality suite and will give a short presentation about the investment environment in Turkey. His presentation is scheduled for 5.15 pm and will also include informed commentary on the Turkish economy and the mining sector in particular.

We very much hope that you will be able to attend.

David J. Hall

Chairman