

BUMITAMA AGRI LTD.

(Incorporated in Singapore)

(Company Registration Number: 200516741R)

ACQUISITION OF A SUBSIDIARY

The Board of Directors of the Company (hereinafter, together with its subsidiaries, to be referred to as the “**Group**”) wishes to announce that its subsidiary, PT. Bumitama Gunajaya Agro (“**BGA**”) together with PT. Karya Manunggal Sawitindo (“**KMS**”), an associate of the Group’s controlling shareholders, Dr Lim Hariyanto Wijaya Sarwono and Mr Lim Gunawan Hariyanto (also a Director of the Company), had on 25 April 2012 entered into a conditional Sales and Purchase Agreement to acquire the entire equity interest in PT. Ladang Sawit Mas (“**LSM**”) (“the **Acquisition**”). The Acquisition is subject to the parties having received the relevant government approvals in Indonesia.

Upon completion of the Acquisition, BGA and KMS will own 95% and 5% of the issued and paid-up share capital in LSM respectively. The participation of KMS is necessary to satisfy the local ownership laws No. 25 of 2007 (“**Law No. 25/2007**”) in Indonesia.

INFORMATION ON LSM

LSM is primarily engaged in the plantation business and was incorporated in the Republic of Indonesia on 30 May 2005. It obtained the relevant legal approval from the Ministry of Law and Human Right of the Republic of Indonesia on 1 September 2005.

LSM owns a land area of 818 hectares in West Kalimantan.

As at the date of this announcement, the authorized capital of LSM is IDR10 billion (equivalent to S\$1,356,668) and its paid up capital is IDR2.5 billion (equivalent to S\$339,167). LSM is owned by unrelated third parties, namely (i) Mr Gunawan Sukardi Subur; and (ii) Mr Ir. Gusti Kamboja, each holding 75% and 25% of the issued and paid-up share capital in LSM respectively.

RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Group’s expansion plan to increase the hectarage of its land bank.

In addition, LSM’s land is situated near the land bank owned by PT GY Plantation Indonesia (“**GY**”). The Group currently manages and operates the plantations of GY. The close proximity would allow the Group to achieve operational efficiency through the sharing of resources such as labour and infrastructure.

CONSIDERATION

The total consideration for the Acquisition is US\$1.0 million (equivalent to S\$1,247,000), payable in cash on completion of the Acquisition.

The consideration was arrived at on a willing-buyer and willing-seller basis having considered the intrinsic and the potential development value of the land. The intrinsic value of the land is supported by the above rationale for the Acquisition.

FINANCIAL EFFECTS OF THE ACQUISITION

The Acquisition has no material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2012.

RULE 916(2)(b) AND RULE 916(2)(c) OF THE SGX-ST LISTING MANUAL

Pursuant to Rule 916(2)(b) and Rule 916(2)(c) of the SGX-ST Listing Manual, the Audit Committee ("AC") of the Company is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partners and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture

INTERESTS OF DIRECTORS AND/OR CONTROLLING SHAREHOLDERS

Other than the above as disclosed, none of the Directors or the controlling shareholders of the Company has any direct or indirect interest in the Acquisition.

None of the Directors of the Company will be entering into any service contracts in connection with the Acquisition.

The Company will update shareholders in the event that there are material developments in relation to the Acquisition.

By Order of the Board

Lim Gunawan Hariyanto
Executive Chairman and CEO

Date: 26 April 2012

The Joint Issue Managers for the Company's initial public offering are DBS Bank Ltd and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch. The Joint Issue Managers assume no responsibility for the contents of this announcement.