

BUMITAMA AGRI LTD.

(Incorporated in Singapore)

(Company Registration Number: 200516741R)

PROPOSED ACQUISITION OF LAND BANK

The Board of Directors of Bumitama Agri Limited (our “**Company**”, and together with its subsidiaries, our “**Group**”) wishes to announce that our Company’s subsidiary, PT. Bumitama Sawit Lestari (“**BSL**”), and PT. Karya Manunggal Sawitindo (“**KMS**”), an associate of our Group’s controlling shareholders, Dr Lim Hariyanto Wijaya Sarwono and Mr Lim Gunawan Hariyanto (also a Director of our Company), had on 17 July 2012 entered into a conditional Sales and Purchase Agreement to acquire land bank for our Group through an acquisition of the entire equity interest in PT. Tanah Tani Lestari (“**TTL**”) (the “**Acquisition**”). The Acquisition is subject to the parties having received the relevant government approval(s) in Indonesia.

Upon completion of the Acquisition, BSL and KMS will own 95% and 5% of the issued and paid-up shares capital in TTL respectively. The participation of KMS is necessary to satisfy the local ownership laws No. 25 of 2007 in Indonesia.

INFORMATION ON TTL

TTL is primarily engaged in the plantation business and was incorporated on 29 June 2007, under the deed of incorporation Number 51 made before Tintin Surtini, SH, MKN, substitute to Surjadi, SH, Notary at Jakarta and obtained approval from the Ministry of Law and Human Right of Republic of Indonesia on 28 August 2007 under the Decree Letter number W7-09469 HT.01.01-TH.2007.

Currently, TTL has obtained a principle license (*Ijin Prinsip*) for the total area of 1,415.34 hectares in Central Kalimantan designated for plasma area, based on Decree of Head of Regent of Kotawaringin Timur district No. 525.26/349/VI/EK.SDA/2012 dated on 22 June 2012. Other than the above, TTL has applied for another potential landbank of up to 16,000 hectares in Central Kalimantan province.

As at the date of this announcement, the authorized capital of TTL is IDR 1 billion and the paid up capital is IDR 250 million. At the completion date, TTL will increase its authorized capital and the paid up capital to IDR 4 billion and IDR 1 billion respectively, due to the requirement of Indonesian Investment Law number 25 / Year 2007. TTL is currently owned by PT. Lestari Gemilang Agro and PT. Makmur Langgeng Intisawit, who hold 80% and 20% of the issued and paid-up share capital of TTL respectively. Neither PT. Lestari Gemilang Agro nor PT. Makmur Langgeng Intisawit is related to any controlling shareholder or Director of our Company or any of their associates.

RATIONALE FOR THE ACQUISITION

The Acquisition is in line with our Group's expansion plan to increase the hectarage of its land bank, and is in the ordinary course of business of our Group.

In addition, TTL's land is near to the existing land bank of our Group. The close proximity would allow our Group to achieve operational efficiency through the sharing of resources such as labour and infrastructure.

CONSIDERATION

On the completion date, the total consideration for the Acquisition is IDR 1 billion (equivalent to US\$105,552), payable in cash.

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 as well as taking into account that the 1,415.34 hectares of land have only *Ijin Prinsip* and are currently designated for plasma. The intrinsic value of the land is supported by the above rationale for the Acquisition.

FINANCIAL EFFECTS OF THE ACQUISITION

The Acquisition is not expected to have a material impact on the net tangible assets and earnings per share of our Company for the financial year ending 31 December 2012.

RULE 916(2)(B) AND RULE 916(2)(C) OF THE SGX-ST LISTING MANUAL

As BSL and KMS will jointly own TTL (to the extent of 95% and 5% of the issued and paid-up shares capital in TTL respectively) following the Acquisition, such an arrangement is regarded as an interested person transaction entered into by our Group with an interested person (the "**Joint Venture**").

Pursuant to Rule 916(2)(b) and Rule 916(2)(c) of the SGX-ST Listing Manual, the Audit Committee of our Company is of the view that the risks and rewards of the Joint Venture are in proportion to the equity of each Joint Venture partner and the terms of the Joint Venture are not prejudicial to the interests of our Company and its minority shareholders; and KMS (being the interested person) does not have an existing equity interest in the Joint Venture prior to the participation of BSL (being the entity at risk) in the Joint Venture.

The value of the Joint Venture, when aggregated with all transactions entered into between (i) our Group and (ii) KMS, our Group's controlling shareholders, Dr Lim Hariyanto Wijaya Sarwono, Mr Lim Gunawan Hariyanto and their respective associates, is less than 3% of our Group's latest audited net tangible assets and, accordingly, the transaction does not fall within the requirements of Rule 905 (which mandates an immediate announcement in accordance with Rule 917).

INTERESTS OF DIRECTORS AND/OR CONTROLLING SHAREHOLDERS

Other than as disclosed above, 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.

By Order of the Board

Lim Gunawan Hariyanto
Executive Chairman and CEO

Date: 18 July 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.