

BUMITAMA AGRI LTD.

(Incorporated in Singapore)

(Company Registration Number: 200516741R)

CLARIFICATION IN RESPECT OF PETITIONS TO THE ROUNDTABLE OF SUSTAINABLE PALM OIL FROM (I) THE CENTRE FOR ORANGUTAN PROTECTION AND (II) THE INTERNATIONAL ANIMAL RESCUE AND THE FRIENDS OF BORNEO

1. INTRODUCTION

The Board of Directors of Bumitama Agri Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (a) the petition addressed to the Roundtable of Sustainable Palm Oil (“**RSPO**”) from the Centre for Orangutan Protection (“**COP**”) demanding, *inter alia*, that the Company stop all activities that could threaten orang-utans and their habitats in the forested areas of Tumbang Koling, Central Kalimantan (the “**COP Petition**”); and
- (b) the petition addressed to the RSPO from the International Animal Rescue (“**IAR**”) and the Friends of Borneo demanding, *inter alia*, that PT Ladang Sawit Mas (“**LSM**”) stop all clearing activities immediately until a proper assessment of its cleared area and total planned plantation areas are conducted (the “**IAR Petition**”).

2. COP PETITION

In respect of the COP Petition, the Company would like to highlight the following to the shareholders:

- (a) The areas mentioned in the COP Petition are part of the landbank of PT. Nabatindo Karya Utama (“**NKU**”), in areas which have been designated as non-forestry area/other designated area. As mentioned in the Company’s announcement on 18 October 2012, the Group entered into a Conditional Sale and Purchase Agreement to acquire 80% of the issued shares of NKU (the “**NKU Acquisition**”). The NKU Acquisition is conditional on the approval of the Minister of Law and Human Right in Indonesia. As at the date of this announcement, such approval had yet to be obtained, and the NKU Acquisition thus remains uncompleted.
- (b) During the due diligence conducted for the purposes of the NKU Acquisition, the Company had not been informed by the management of NKU (the “**NKU Management**”) that NKU’s landbank encountered any issues in respect of orang-utan habitation. The Company had since raised the issues highlighted by COP to the NKU Management, and has been informed that NKU has not had any issues with orang-utan habitation since 2007.
- (c) The Company also requested that NKU suspend all its operations in the interim while the Company gathers more information on COP’s petition. The Company has conducted field investigations together with the village officials and local communities situated around NKU’s landbank. Since then, all heavy equipment has been withdrawn from the operational area of NKU as a gesture of goodwill to COP.

- (d) Further to the field investigations, the Company has found no evidence to suggest that the habitats of orang-utans had been destroyed as a result of the operations of NKU. In this regard, the Company has obtained statements from the community leader and village chief of Tumbang Koling stating, *inter alia*, that the field investigations yielded no evidence to suggest that the habitats of orang-utans had been destroyed, and that the habitats of the orang-utans were in fact located far from the operational areas in NKU's landbank.
- (e) The Company met with representatives from COP on 26 March 2013 to highlight the points mentioned above. During such meeting, COP's representatives were unable to provide any valid documents or evidence to support the allegation that the habitats of orang-utans were being destroyed in NKU's landbank.
- (f) Pursuant to its commitment as a member of the Roundtable of Sustainable Palm Oil, the Company has also, at its own expense, appointed an independent consultant to identify high conservation value areas in, and conduct a social impact assessment for, NKU's landbank.
- (g) Further to the actions undertaken by the Company above, COP had on 1 April 2013 sent an e-mail to the Company stating, *inter alia*, that it had closed its online petition against the Company and hereby announces that the Company has taken important steps in the protection of orang-utans and their habitats in Tumbang Koling. The Company notes that such online petition was subsequently closed by COP on 8 April 2013.

3. IAR PETITION

In respect of the IAR Petition, the Company would like to highlight the following to the shareholders:

- (a) The areas mentioned in the IAR Petition are part of the landbank of LSM which has been designated as non-forestry area. As mentioned in the Company's announcement on 7 September 2012, the Group's acquisition of LSM was completed with effect only from 10 August 2012. Prior to such completion, the management of LSM had engaged third party contractors to conduct the field operations program within LSM's landbank. Such operations included land clearing and planting, which took place from May 2012 to December 2012.
- (b) The Company started receiving reports from its staff that orang-utans were sighted in the operational areas in LSM's landbank since the beginning of 2013, when the Company took over the operational activities of LSM from the third party contractors. Having been informed of these findings, the Company immediately ceased the operations within the area and reported to the Agency for Natural Resources Conservation Ketapang ("BKSDA"). Joint investigations were conducted with the BKSDA within the areas where orang-utans were sighted. To that end, the Company had committed to the BKSDA that it would bear the expenses for relocating any orang-utans which is found in LSM's landbank.

- (c) Orang-utans were found within LSM's landbank during the joint field investigations, and IAR was roped in to assist in the relocation of these orang-utans as BKSDA had inadequate facilities and equipment for such relocation. The orang-utans were successfully relocated to a suitable new habitat (the "**Relocation Area**") through the joint efforts of BKSDA, IAR and the Company.
- (d) Subsequent to the relocation of these orang-utans, on 5 April 2013, the Company met with representatives from BKSDA and IAR to discuss further actions to be taken in respect of wildlife conservation, and arrived at the following:
 - (i) The Company will engage a registered consultant to identify high conservation value areas in, and conduct a social impact assessment for, LSM's landbank (the "**LSM HCV/SIA Assessment**"). In this regard, the Company has since appointed a registered consultant to conduct the LSM HCV/SIA Assessment, with such assessment to commence by the end of April 2013.
 - (ii) LSM will keep the Relocation Area safe and ensure that any planting activities within the Relocation Area will not endanger the lives of the orang-utans.
 - (iii) LSM will, with the assistance of BKSDA, establish a 10-person conservation task force team to monitor LSM's landbank for the presence of any other endangered wildlife.

4. CONCLUSION

The Company would like to state that it takes its corporate social responsibility commitments very seriously, and that the investigations it has conducted, as mentioned above, have revealed no evidence supporting the COP Petition.

The Company would also like to express its thanks to the BKSDA and IAR for assisting the Company in the relocation of the orang-utans found within LSM's landbank, and state that any land clearing activities conducted prior to 2013 were undertaken before the Company took over the operational activities of LSM. The Company is committed to preserving the endangered wildlife found in LSM's landbank, and fully intends to complete the LSM HCV/SIA Assessment before it recommences the operations of LSM.

By Order of the Board

Lim Gunawan Hariyanto
Executive Chairman and CEO

Date: 18 April 2013

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.