

BUMITAMA AGRI LTD.

(Incorporated in Singapore)

(Company Registration Number: 200516741R)

ACQUISITION OF SUBSIDIARY - PT. ENERGI BAHARU LESTARI

(A) INTRODUCTION

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 Energi Lestari (“**BEL**”) together with PT. Karya Manunggal Sawitindo (“**KMS**”), an associate of the Company’s controlling shareholders, Dr Lim Hariyanto Wijaya Sarwono and Mr Lim Gunawan Hariyanto (also a Director of the Company), had entered into a Sale and Purchase Agreement (the “**Agreement**”) to acquire the entire equity interest (the “**Acquisition**”) in PT. Energi Baharu Lestari (the “**EBL**”).

(B) PURCHASE CONSIDERATION

The acquisition consideration for 100% equity of EBL is IDR 10.4 billion (the “**Acquisition Consideration**”), which was arrived at on a willing-buyer and willing-seller basis, taking into account, *inter alia*, an independent valuation undertaken on EBL’s share capital on 30 September 2014.

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

EBL was previously owned by unrelated third parties.

Following the Acquisition, EBL will be an indirect subsidiary of the Company.

(C) BUSINESS OF EBL

EBL was incorporated in the Republic of Indonesia on 30 December 2013 and engaged in biodiesel production. EBL is currently testing and commissioning a biodiesel refinery with a capacity of 20,000 tons per annum.

Total project cost for the biodiesel complex is estimated to be approximately USD 9 million.

(D) RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Group’s expansion into the downstream business. When the Acquisition is completed, the Group will immediately take possession of the existing biodiesel complex and operation.

(E) FINANCIAL EFFECTS OF THE ACQUISITION

The Acquisition was funded by internally generated cash and is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2014.

Save as disclosed above, none of the Directors or substantial shareholders of the Company have any direct or indirect interest in the above transaction.

By Order of the Board

Lim Gunawan Hariyanto
Executive Chairman and CEO

17 December 2014