

FIRST RESOURCES' UPDATED RESPONSE TO REPORTS CONCERNING FOREST AND PEATLAND FIRES IN INDONESIA

Following the Company's announcement made on 15 October 2026 responding to reports concerning fires within and around its concession areas in West Kalimantan, First Resources Limited ("First Resources" or the "Group") wishes to provide the following information to present a more comprehensive overview of the matter and address certain issues that have subsequently been raised.

Interpretation and Monitoring of Hotspot Data

Indonesia has experienced elevated fire activity in recent months, with hotspots reported across various regions due to prolonged dry conditions associated with the El Nino event. For the Group, the area most affected has been our concessions in West Kalimantan.

It is important to note that the identification of hotspots or other satellite-based observations within or near a concession does not, by itself, establish the origin of a fire, responsibility for its occurrence, or any deliberate use of fire for land clearing by the concession holder. Such determinations require detailed ground verification and a thorough assessment of the circumstances surrounding each fire event. Consideration should also be given to the chronology of hotspot detections and fire development, including the location and timing of the earliest detected hotspots, as well as the manner in which subsequent fires spread over time. These assessments should also take into consideration that, other than company managed plantation areas, concession areas may encompass community lands occupied and utilised by villages for their livelihoods, in addition to designated conservation areas (HCS forests and HCV areas). As such, fires detected within concession boundaries may occur in areas that are not directly managed or controlled by the concession holder. Accordingly, the presence of hotspots within a concession should not, in itself, be interpreted as an indication that the concession holder caused, initiated or condoned a fire.

Based on our monitoring and field verification, many hotspots identified in the vicinity of our concessions in West Kalimantan were determined to have originated outside our operating boundaries. There have also been instances where fires originating outside our concessions subsequently spread into areas under our management. In such cases, our firefighting teams responded vigorously and worked to contain the fires and prevent further spread.

We would also like to highlight that the number of hotspots in West Kalimantan has declined sharply over the last few weeks, and that the current hotspots are largely concentrated in regions where the Group does not operate.

Fire Prevention and Mitigation Measures

Oil palm is a perennial crop with an economic planting cycle of approximately 25 to 30 years. Once planted, oil palm trees are generally maintained throughout this cycle without the need for annual replanting. As plantation assets are long-term biological assets, safeguarding them against fire and maintaining effective fire risk management are therefore top priorities for the Group.

First Resources observes a strict [Zero Burning Policy](#) in our land clearing and preparation process for all new developments as well as future replanting. Instead, we mechanically clear land in preparation for new plantings and harness the organic contents within fallen, decomposing biomass to replenish plantation soil. Our Zero Burning Policy is communicated to both employees and contractors and any non-compliance can result in termination of employment or contracts.

To manage fire risks, we implement an Integrated Fire Management (IFM) initiative that encompasses prevention, preparedness, response, and recovery. These measures include daily hotspot monitoring, drone surveillance, ground patrols, and maintaining competent firefighting teams through appropriate training and regular fire drills. The Group also ensures the availability and operational readiness of firefighting equipment in accordance with applicable standards and prevailing regulatory requirements, with firefighting teams on standby during periods of heightened fire risk.

As part of our early detection efforts, we maintain continuous monitoring across our operations through daily satellite tracking. We utilise several hotspot data sources for early detection, including [SiPongi](#), Indonesia's official Forest and Land Fire Monitoring System. These efforts are further supported by a combination of drone surveillance and on-the-ground patrols, enabling us to detect fires in near real-time.

NDPE Policy and Peatland Management Practices

In line with our No Deforestation, No Peat and No Exploitation (NDPE) policy, the Group commits to no new development on High Carbon Stock (HCS) forests, High Conservation Value (HCV) and peat areas. The HCV, HCS and peat conservation areas identified within the Group's concessions are managed and protected in accordance with applicable sustainability commitments and certification requirements, with ongoing management and monitoring activities undertaken to support the long-term protection of these areas and their ecological values.

For existing plantations on peat, water-table levels are monitored through piezometers installed across plantation blocks, with measurements recorded periodically. Relevant plantations are also equipped with monitoring systems for rainfall, soil moisture, and peat water-table levels. These data support the early identification of increasingly dry conditions and enable field teams to take timely mitigation measures. Where water-table levels approach or exceed applicable regulatory thresholds, the monitoring information supports prompt response to potential risks, including fire. Water-management infrastructure, including canal blocks and water gates, is managed in accordance with applicable Indonesian regulatory and technical requirements, including relevant guidance issued by the Ministry of Environment.

Coordination with Government Authorities

We remain highly vigilant and maintain close coordination with government authorities to ensure our strict compliance with regulations. Where required, the Group has been cooperating fully with the relevant government authorities, including providing access and operational support to government teams on the ground in relation to fire management and conservation-related matters.

The Group fully supports government efforts to combat the ongoing fires and minimise their further spread across the region, and will continue to work closely with the relevant authorities, local communities and other stakeholders to mitigate fire risks and support suppression efforts.

Assessment of Impact on the Group

While the fires and haze have caused some operational disruptions to the Group's plantation operations due to reduced visibility and deteriorated air quality in certain areas, the Company does not expect these disruptions, or the planted areas affected by fire, to result in any material operational or financial impact on the Group.

In respect of regulatory and reputational matters, the Company recognises the importance of maintaining the confidence of regulators, stakeholders and the wider community. The Company remains committed to cooperating with the relevant authorities, complying with applicable laws and regulations, and engaging constructively with stakeholders to address concerns and ensure appropriate follow-up actions are taken where necessary.

Matters Relating to Acquired Subsidiary

PT Kayung Agro Lestari (PT KALE) is one of the Group's subsidiaries in West Kalimantan that was acquired by the Group as part of its acquisition of PT Austindo Nusantara Jaya Tbk. (PT ANJ) in May 2025.

Following the acquisition, the Group has continued to implement its sustainability commitments across the acquired operations in accordance with the Group's Sustainability Policy. These include our commitment to NDPE (No Deforestation, No Peat, and No Exploitation) principles, which prohibit new development on High Conservation Value (HCV), High Carbon Stock (HCS), and peat areas, as well as a strict Zero Burning Policy and fire prevention measures, in line with the relevant RSPO Principles & Criteria and industry best practices. Furthermore, PT KALE does not have any replanting programme planned and therefore has no requirement for any land-clearing activities within the estate.

As both the Group and PT KALE are RSPO members, these conservation and fire prevention commitments were already embedded within the operations of both organisations prior to the acquisition. Accordingly, the change in ownership of PT KALE did not result in any reduction in sustainability standards, conservation obligations, or fire prevention measures at its operations. Following the acquisition, the Group continues to uphold these commitments and conservation obligations in accordance with the RSPO framework, including the protection and management of HCV, HCS and peat areas, as well as the implementation of best management practices (BMPs) for existing plantations on peat.

In addition, the Group remains committed to maintaining sufficient resources, expertise and operational capabilities to support conservation management and monitoring, as well as fire prevention and firefighting activities across both existing and acquired operations.

Regarding community engagement, the Group is not aware of any government regulations requiring companies to make direct cash payments to communities as a means of preventing fires. Rather, our understanding is that the relevant regulatory framework encourages community development through various initiatives and programmes aimed at strengthening local livelihoods and enhancing community economic well-being. The Group's approach to fire prevention therefore focuses on comprehensive measures, including community engagement, awareness programmes, fire prevention and monitoring activities, and collaboration with local communities and government authorities. Opportunities to further strengthen these community engagement programmes will continue to be reviewed and evaluated.

The Company regards the protection of conservation areas and the prevention of fires as matters of the utmost importance. At PT KALE, some HCV areas are particularly vulnerable to fire because they directly border areas outside the concession, including community-owned lands and unmanaged areas. These boundary conditions can increase exposure to potential fire sources originating from outside the concession.

At the same time, maintaining the integrity of conservation areas presents specific operational challenges during firefighting. Infrastructure and access within these areas are necessarily limited to support their conservation objectives, which can make it more difficult for firefighting teams to reach fire locations. Water availability within conservation areas may also be limited, requiring water to be transported from the nearest available sources within our operations.

The Group does not believe there is a supportable basis to suggest that the acquisition of PT KALE increased the vulnerability of the area to fires. PT KALE is located in Ketapang Regency, an area where fire risk has historically been elevated due to the presence of extensive peatlands. In addition, a significant proportion of PT KALE's concession area comprises High Conservation Value (HCV) forests and High Carbon Stock (HCS) areas, which require ongoing monitoring and protection as part of the Group's conservation management efforts.

More broadly, fire risk across West Kalimantan has been significantly elevated in recent months by the prolonged dry conditions associated with the 2026 El Niño event, which has affected large areas across the region. Any assessment of the incidence of fires observed within or around PT KALE's concession since the acquisition in May 2025 should therefore be considered in the context of these exceptional climatic conditions affecting West Kalimantan and other parts of Indonesia.

For further information on the Company's governance and sustainability practices, please refer to our [Annual Reports](#) and [Sustainability Reports](#). We also welcome feedback and constructive engagement to further improve our practices and may be contacted via email at sustainability@first-resources.com.

BY ORDER OF THE BOARD
FIRST RESOURCES LIMITED

Lai Kuan Loong, Victor
Company Secretary
16 October 2026