

For Immediate Release

Better results driven by increased FFB production and higher Average Selling Price (“ASP”) of Crude Palm Oil

Singapore, 13 May 2014 – Kencana Agri Limited (“Kencana” or the “Group”), today announced its financial results for the quarter ended 31 March 2014.

Summary of Results

US\$ '000	1Q 2014	1Q 2013	Change %
Revenue	50,223	89,524	-43.9
Gross profit	12,356	6,372	93.9
Operating profit	11,298	1,642	588.1
EBITDA	13,215	3,335	296.3
Profit before tax	8,184	153	5249.0
Net profit after tax	6,130	104	5794.2

Review of Group Financial Performance

The Group's revenue decreased by 44% from US\$89.5 million in 1Q 2013 to US\$50.2 million in 1Q 2014. The decrease was mainly due to lower sales volume from CPO during the quarter offset by higher Average Selling Price ("ASP"). Overall sales volume of CPO decreased approximately 50% from 122,954MT to 55,452MT. Average Selling Price of CPO increased from US\$691 in 1Q 2013 to US\$785 in 1Q 2014.

The Group's Operating Profit ("OP") for 1Q 2014 increased from US\$1.6 million to US\$11.3 million and Net Profit After Tax ("NPAT") increased from US\$104,000 to US\$6.1 million. The increase in OP this quarter was mainly due to the increase in ASP of CPO as mentioned above and higher foreign exchange gains (increased by US\$2.6 million) due to the strengthening of IDR against the US\$. The increase in NPAT was mainly due to the factors mentioned above offset by higher interest expense (increased by US\$1.6million) as a result of higher mature area and higher tax expense.

Shareholders' equity increased to US\$184.9 million as at 31 March 2014 mainly due to translation gains of US\$12.1 million resulting from the strengthening of the IDR against US\$ in 1Q 2014 and profit for the period of US\$6.1 million.

Total assets increased by US\$27.7 million to US\$510.1 million during 1Q 2014 mainly due to increase of US\$7.9 million in property, plant and equipment, increase of US\$26.3 million in the value of the biological assets and increase of US\$4.1 million in land rights.

Net asset value per share for the Group increased from 14.42 US cents at 31 December 2013 to 16.11 US cents at end of 31 March 2014.

Review of Operational Performance

At the operational level, the Group's planted area for nucleus increased by 332ha whereas the planted area for plasma decreased by 544ha in 1Q 2014. The decrease in plasma planted area is due to some plasma area no longer managed by us and therefore excluded in our total plasma area. Mature area increased 4,864 ha to 40,374 ha.

FFB produced from nucleus increased 28% from 91,031 MT to 116,669 MT due to better maturity profile. The oil extraction rates for CPO and CPKO were 21.2% and 43.4% respectively.

Outlook

Mr Henry Maknawi, Chairman and CEO of Kencana said, "Our results improved in 1Q2014 mainly due to higher production from more matured area and the recovery of CPO prices. While prices have softened after 1Q 2014 due to increased stockpiles and the credit curbs on commodity financing in China, we are optimistic that the increased demand in the near future coming from the Indonesian biodiesel mandate and Ramadan will lend support to prices."

About Kencana Agri Limited

Listed on the Main Board of the Singapore Stock Exchange on 25 July 2008, Kencana Agri Limited (“Kencana” or the “Group”) is a fast-growing producer of Crude Palm Oil (“CPO”) and Crude Palm Kernel Oil (“CPKO”) with oil palm plantations strategically located in the Sumatra, Kalimantan and Sulawesi regions. As at 31 March 2014, Kencana’s total land bank and planted area (including Plasma Programme) were 191,605 ha and 65,872 ha respectively. As part of its growth strategies and in line with its goal to be a leading palm oil producer and supplier of choice for both local and international markets, Kencana has streamlined its integrated plantation operations, which include palm plantations, palm oil mills, kernel crushing plants, as well as bulking and logistics facilities, to support its operations. In addition, Kencana strives to pursue sustainable palm oil production whilst remaining committed to being a good corporate citizen for the benefit of all stakeholders.

For more information about Kencana, please visit www.kencanaagri.com

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