



## FIRST RESOURCES LIMITED

Co.Reg.No.: 200415931M

8 Temasek Boulevard #36-02 Suntec Tower Three Singapore 038988

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### CLARIFICATION ANNOUNCEMENT

#### RESPONSE TO AN ANNOUNCEMENT BY THE CORRUPTION ERADICATION COMMISSION OF INDONESIA IN THE RIAUPOS AND MEDIA INDONESIA NEWSPAPERS ON 6 MARCH 2008

Further to the announcement dated 6 March 2008 released by the Company relating to the press releases made by the Corruption Eradication Commission of Indonesia ("**Komisi Pemberantasan Korupsi**" or "**KPK**") (the "**KPK Announcements**"), the Board of Directors (the "**Board**") of the Company wishes to provide additional information on the matter.

The Company has previously disclosed on page 26 in the "Risk Factors" section of its prospectus dated 3 December 2007 (the "**Prospectus**") that one of its founders and former shareholders, Martias, who is no longer involved in the affairs of the Company, was convicted of corruption on 3 May 2007 by the Corruption Court at the District Court of Central Jakarta in connection with an investigation by the KPK. The investigation concerned the grant of land use rights to 11 companies for private plantations from areas reserved as forest in East Kalimantan. One of the 11 companies, PT Bumi Sawit Perkasa ("**PT Bumi**"), has been one of the Company's subsidiaries since 2004, while the other 10 companies in East Kalimantan are unrelated to First Resources. PT Bumi was not named as a defendant in the court proceedings and no sanction was imposed on it by the courts. Both Martias and KPK appealed the court's judgement to the Corruption High Court at the High Court of Jakarta, and on 6 August 2007, the High Court affirmed the District Court's judgement. PT Bumi was not a party to the lower court case nor was it a party to the appeal proceedings.

Martias and the KPK subsequently appealed to the Corruption Supreme Court at the Supreme Court of Jakarta (the "Supreme Court"). On 11 December 2007, the Supreme Court ruled that the financial penalty previously imposed on Martias was insufficient and ordered Martias to pay a penalty of approximately US\$38.3 million. None of the Company or its subsidiaries were a party to the legal proceedings, nor did the Supreme Court rule that the Company or its subsidiaries were liable for such penalties imposed on Martias.

The KPK Announcements relate to the KPK's intention to auction off 19 properties, presumably in order to secure payment for the penalty imposed on Martias. Three of the assets listed, which are plantation and milling assets, are owned by subsidiaries of the Company, namely PT Ciliandra Perkasa, PT Pancasurya Agrindo and PT Perdana Intisawit Perkasa (the "**Land**"). The Land amounts to approximately 16,800 hectares, which accounts for approximately 22% of the total planted hectareage owned by the Company as at 31 December 2007. Save for the KPK Announcements, the Company and its subsidiaries have not been informed by the KPK of its intentions to seize the Land, or the legal basis for KPK to seize and auction off the properties.



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The Company has consulted with its Indonesian legal advisors on actions to publish counter announcements clarifying that the Land are not the assets of Martias, and to seek clarifications from the KPK on the announcements, and furthermore to challenge any attempts to infringe upon its rights in relation to the Land in the courts of Indonesia.

The Company continues to have full operational accessibility to the Land and hold the original HGU certificates to this Land.

**BY ORDER OF THE BOARD  
FIRST RESOURCES LIMITED**

Ciliandra Fangiono  
Chief Executive Officer  
09 March 2008

*Note: Citigroup Global Markets Singapore Pte. Ltd. was the Sole Global Coordinator, Bookrunner, Issue Manager and Underwriter for First Resources' IPO, and assumes no responsibility for the contents of this announcement.*