FIRST RESOURCES LIMITED

(Company Registration No. 200415931M)
(Incorporated in Singapore with limited liability)

NEWS RELEASE

First Resources Declares Interim Dividend as 1H FY2010 Net Profit Increased To US$35.7 Million

- **Declares interim ordinary dividend of 1.00 cent/share backed by healthy cash flow from operations of US$34.4 million**
- **Revenue up 38% to US$124.1 million, driven by higher average selling prices**
- **Adds 6,053 hectares of new plantation, in line with expansion strategy; on track to ride long term prospects of palm oil industry**

Singapore, 13 August 2010 **– First Resources Limited (First Resources or the Group),** a leading oil palm plantation company, achieved a 37.7% year-on-year (yoy) growth in revenue to US$124.1 million for the half year ended 30 June 2010 (1H FY2010), largely due to higher average palm oil prices. Net profit attributable to shareholders (net profit) increased by 6.5% to US$35.7 million.

The Group has also declared an interim ordinary dividend of 1.00 cent/share on the back of the healthy improvement in its cash flow from operations which rose to US$34.4 million in 1H FY2010.

Mr Ciliandra Fangiono, Chief Executive Officer of First Resources, noted: "Our decision to pay out 30% of our first half earnings underlines the Group's confidence in sustaining a consistent return from the business. We believe that our strong focus and discipline in plantation management have sharpened our competitive edge, and put us in a strong position to ride the favourable industry momentum."

Unfavourable weather in major palm oil producing countries had caused lower than expected production of crude palm oil (CPO) across the industry. For the Group, production of fresh fruit bunches (FFB) and CPO in 1H FY2010 fell by 9.6% and 6.5% respectively, causing sales volume of its palm oil to decline yoy. This, however, was more than compensated for by a 55.7% rise in the Group's average palm oil selling prices.

Profit from operations rose 60.0% to US$66.3 million. However, these gains were partially eroded at the net profit level from a doubling of financial expenses, due largely to a US$4.5 million interest on its US$100 million convertible bonds and a US$2.1 million loss on the redemption of notes payable. Group earnings were also affected by a US$3.8 million foreign exchange loss in 2Q FY2010, a significant portion arising from the redemption of the same notes payable. The redemption is part of a refinancing exercise which will lower the Group's interest costs and extend the Group's debt maturity profile.

The Group improved its CPO extraction rate to 23.7% for 1H FY2010 and maintained a competitive cost of production. The higher extraction rate allowed the Group to reap more CPO from its FFB, which mitigated to some extent, the lower FFB production volumes seen for 1H FY2010.

First Resources continues to move forward in its long term strategy of organic growth. In 1H FY2010, the Group planted an additional 6,053 hectares of new oil palms as part of its growth plan.

Looking ahead, Mr Fangiono commented: “We remain optimistic about the palm oil industry. To drive organic growth, we have been executing our new planting strategy diligently and consistently. We believe this is the most low-cost and assured channel to secure the greatest shareholder value in the long run.”

In terms of age profile, the Group saw a 8.5% increase in mature oil palms as compared to the end of FY2009. Young oil palms (4 to 7 years old) now account for 20% of First Resources’ planted area, a good sign of the Group’s future production growth as these plants will mature into their prime producing years within the next few years.

For the coming 2H FY2010, First Resources expects CPO prices to remain robust and production volume to recover as the industry enters its seasonal peak.

<u>About First Resources Limited</u>

First Resources Limited (“FRL”) is one of the fastest-growing upstream crude palm oil producers. Established in 1992, FRL has grown its plantation assets at a rapid rate to over 114,000 hectares.

The Group’s key activities are cultivating oil palms, harvesting the fruits and processing them into crude palm oil and palm kernel for sale to the local and export markets. Its plantations and processing mills are strategically located in the Riau and West Kalimantan provinces of Indonesia.

FRL’s disciplined planting programme has resulted in a young plantation age profile, which currently averages at 8 years. This plantation profile positions the Group well for strong earnings growth over the next 5 years. With the availability of land bank, FRL has further room to expand. It aims to grow its CPO production capability to 1 million tonnes per annum.

For more information, please visit www.first-resources.com

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