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

NEWS RELEASE

First Resources posts record gains in sales and profits as selling prices rebound; proposes increase in dividend

- Net profit surges 27% to US$143m for FY2010 as sales soar 51%
- Strong gains made despite having to overcome rising costs
- Group proposes final dividend payment of 1.9 Singapore cents per share, for total of 2.9 Singapore cents for FY2010
- Plans major investments in mills and new plantings to boost future growth as industry outlook remains strong

Singapore, 1 March 2011 – First Resources Limited (First Resources or the Group), a leading oil palm plantation company, has achieved gains at all levels – production, revenue and profits – to set new records for a year made challenging by a rising cost environment and unpredictable weather changes.

Net profit attributable to shareholders (PATMI) increased by 27.2% to US$143.1 million for the financial year ended 31 December 2010 (FY2010), driven mainly by a resurgence in prices for crude palm oil (CPO). Sales jumped by 50.7% to US$329.9 million, driving profit from operations up 51.5% to US$237.0 million.

Notably, earnings before interest, taxes, depreciation and amortisation (EBITDA) surged 67.2% to US$203.7million in FY2010. In addition, after excluding the gains from changes in fair value of biological assets, the Group saw underlying net profit rise by 46.1% to US$108.9 million.

As a result, the Group has proposed a final dividend of 1.9 Singapore cents per share for FY2010. Together with the interim dividend of 1.0 Singapore cents per share paid in September 2010, shareholders would thus receive a total payout of 2.9 Singapore cents per share for the full year – representing 30% of underlying net profit. This payout is 33% higher than that of FY2009 and the largest made by the Group since its listing in 2007.

Mr Ciliandra Fangiono, Chief Executive Officer of First Resources, noted: "The Group has been able to deliver this impressive performance, partly because of a recovery in selling prices for commodities including CPO and palm kernel, and partly because of the stringent measures we have taken to rein in costs.

The robust profits have allowed us to reward our shareholders as well as to set aside funds for an array of capital investments in FY2011, which will position First Resources as a leading palm oil producer in the new decade."

FY2010 was a challenging year for the Group, particularly during the first half (1H2010), as biological tree stress and unfavourable weather conditions tamped down production volumes while costs climbed as a result of industry-wide inflationary wage pressures and the Indonesian Rupiah appreciation.

However, by the fourth quarter (4Q2010), production volumes had largely recovered, growing 8.9% year-on-year for the quarter and 2.6% for the year. Spurred by this recovery as well as the rebound in selling prices and strong demand for CPO, sales shot up to US$117.7 million in 4Q2010, up 75.1% yoy.

On the outlook for the industry and the Group, Mr Fangiono, the Chief Executive Officer of First Resources, said: "We expect production volumes to outperform that in FY2010, driven mainly by our young plantation age profile. This volume growth, under the current market environment, should enable the Group to record strong underlying profits from operations in FY2011. We intend to fully leverage on this momentum by embarking on multi-pronged initiatives in FY2011 to boost future production."

One strategic thrust will focus on increasing the planted hectarage. The Group added 11,913 hectares of new oil palms in FY2010 to bring its total planted area under management to 120,830 hectares at year end. The Group aims to expand the total plantation area by 15,000 hectares annually in order to grow our current CPO production of approximately three hundred eighty thousand tonnes to one million tonnes per annum – a reasonable volume from which the Group can extract significant economies of scale for any planned downstream operations.

In another major thrust, the Group is looking to add new palm oil mills to meet the demands of an enlarged operation. At present, First Resources is operating eight mills, with the ninth expected to be ready by first half of 2011. The Group is now investing in two more mills, which are expected to come onstream in the second half of 2012. Further investments will be put towards constructing a new kernel crushing plant.

These initiatives will be fully funded by the Group's solid operating cash flows and continued profitability. Strong EBITDA gains in FY2010 have boosted the Group's cash reserves by US$29.4 million to US$209.0 million for the year. The balance sheet remains healthy with a net gearing of 13.0% (17.8% in FY2009) and an interest cover of 6.9 times.

Mr Fangiono added: "First Resources remains focused on our core business and we will leverage on our expertise as an operator and manager of high-quality plantation assets to extract further operational efficiencies."

About First Resources Limited

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 120,000 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 growth over the next 5 years. With the access to sizeable area of unplanted 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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