

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

PROPOSED ACQUISITION OF PT KALIMANTAN GREEN PERSADA AND SUBSIDIARIES

The Board of Directors of First Resources Limited (the "Company") wishes to announce that its indirect subsidiary, PT Pancasurya Agrindo ("Purchaser") has entered into a conditional agreement (the "Agreement") to acquire 95% of the share capital of PT Kalimantan Green Persada ("PT KGP") and take over PT KGP's outstanding loan with its existing shareholder (the "Proposed Acquisition"). PT KGP and its subsidiaries are incorporated in Indonesia and principally engaged in the plantation business. They currently hold location permits for land bank in East Kalimantan, Indonesia.

The rationale for the Proposed Acquisition is to increase the Company's land bank for the development of new plantations. The Company intends to utilise the land bank for new oil palm cultivation and potential diversification into other crops.

The Proposed Acquisition was entered into on an arm's length basis at a total consideration of approximately US\$38.5 million ("Consideration"). This was determined on a willing buyer willing seller basis after taking into consideration the current market value of the aforesaid land bank assets. Pursuant to the Agreement, US\$1 million shall be paid by the Purchaser upon signing of the Agreement and the balance shall be paid on the date of completion.

The completion of the transaction is conditional upon various conditions being fulfilled as stipulated in the Agreement, and the Proposed Acquisition is targeted to be completed by April 2011. Upon completion, PT KGP and its subsidiaries will become indirect subsidiaries of the Company.

The Proposed Acquisition will be financed through a combination of internal resources and bank financing and is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the current financial year.

None of the directors of the Company has any interest, direct or indirect, in the Proposed Acquisition.

BY ORDER OF THE BOARD
FIRST RESOURCES LIMITED

Tan San-Ju
Company Secretary
1 March 2011