

**FIRST RESOURCES LIMITED**

(Incorporated in Singapore)

(Company Registration Number: 200415931M)

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**PROPOSED ACQUISITION OF LYNHURST INVESTMENT PTE. LTD.**

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The Board of Directors of First Resources Limited (the "**Company**") wishes to announce that the Company has, on 19 October 2012, entered into a conditional sale and purchase agreement ("**SPA**") with Park Row Capital Limited ("**Park Row**") to acquire 100% of all the ordinary shares in the issued share capital of Lynhurst Investment Pte. Ltd. ("**Lynhurst Investment**") from Park Row (the "**Proposed Acquisition**").

Lynhurst Investment is an investment holding company incorporated in Singapore. At the time of completion of the Proposed Acquisition, Lynhurst Investment will own a 95% interest in a private Indonesian company that owns oil palm plantations and a crude palm oil mill located at the West Kalimantan province, Indonesia.

The rationale for the Proposed Acquisition is to increase the Company's plantation assets and land bank for the development of new oil palm plantations.

The total consideration for the Proposed Acquisition is approximately US\$69.4 million before adjustments, and was arrived at after arm's length negotiations on a willing buyer willing seller basis between the Company and Park Row based on, inter alia, the assumption that the Indonesian company is the sole legal and beneficial owner of the following:

- (a) Oil palm plantations with a total site area of approximately 8,700 hectares;
- (b) Unplanted land bank with a total site area of approximately 11,500 hectares; and
- (c) A crude palm oil mill with capacity of 45 tonnes of fresh fruit bunches per hour.

The consideration, which will be satisfied in cash, will be paid in tranches in accordance with and subject to the terms of the SPA. The completion of the transaction is conditional upon various conditions being fulfilled as stipulated in the SPA, and the Proposed Acquisition is targeted to be completed by 31 December 2012. Upon completion, Lynhurst Investment and the Indonesian company will become subsidiaries of the Company.

The Proposed Acquisition does not constitute a discloseable transaction under the provisions of Chapter 10 of the Listing Manual of the SGX-ST 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  
22 October 2012