



First Resources Limited

Co.Reg.No.:200415931M
8 Temasek Boulevard #36-02 Suntec Tower Three Singapore 038988
Tel: [65] 6333 6788 Fax: [65] 6333 6711

02/Sustainability/FR/XII/2012

Mr. Darrel Webber
RSPO Secretariat Sdn Bhd
Unit A-33A-2, Level 33A, Tower A
Menara UOA Bangsar,
No. 5 Jln Bangsar Utama 1
59000 Kuala Lumpur
Malaysia

17 December 2012

Dear Darrel,

RE: Complaint – PT Borneo Surya Mining Jaya (“BSMJ”)

We refer to your letter dated 10 December 2012 and noted the requests of the RSPO Complaints Panel (“RSPO”).

For the record, we wish to reiterate that First Resources Limited (“FR”) is committed to RSPO’s New Planting Procedure (“NPP”) and several of our subsidiaries have completed its NPP process in 2012. BSMJ in particular, has completed its 30-day NPP public consultation held from 18 September to 17 October 2012.

We also wish to update that we have temporarily ceased all land clearing activities on the approximately 400 hectares which we have identified as the ‘dispute area’ in our letter (01/Sustainability/FR/XI/2012) dated 29 November 2012, while continuing our regular plantation maintenance work in the ‘dispute area’.

We are agreeable to RSPO’s request to issue a joint statement subject to the following:-

1) Verification by an Independent Certification Body

- The appointment of the Certification Body to review the complaint must be jointly agreed by RSPO and First Resources (“FR”). The appointment and the review process to start in December 2012.
- The scope of review by the Certification Body to specifically include:
 - a) Crosschecking all documentation belonging to Environmental Investigation Agency (“EIA”) as well as BSMJ;
 - b) Interviewing representatives from EIA, BSMJ, Muara Tae and Muara Ponak communities, and the local government bodies;



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- c) Conducting land survey including land measurement; and
 - d) Reviewing BSMJ's Time Bound Plan and Standard Operating Procedures on new plantings, including Free, Prior and Informed Consent ("FPIC") and High Conservation Value ("HCV") assessments.
- During the review process, the respective representatives from EIA, BSMJ, Muara Tae and RSPO to be present on-site for all parties to better understand the situation.
 - All costs and expenses incurred by the Certification Body will be borne by FR.
 - The recommended changes by the Certification Body for the Standard Operating Procedures will be implemented by First Resources and all its relevant operating units to further improve their existing practices in new plantings
- 2) Agree on an action plan with the Muara Tae local community
- We will continue our initiatives to work with relevant stakeholders, including EIA, on a suitable roadmap to find an amicable solution to resolve land dispute of Muara Tae. The action plan should be agreed by RSPO and implemented within a 6-month period.
- 3) Implementation of Principle 7 of RSPO Principles and Criteria, and HCV Management Plan
- We are committed to improving our implementation of Principle 7 of the RSPO Principles and Criteria for all future development areas, including conducting HCV and SEIA assessments as part of the RSPO NPP.
 - We will implement the Management and Monitoring HCV areas as recommended by the HCV assessor in their Final Report of the BSMJ – HCV Management and Monitoring Plan. We are also willing to appoint an RSPO-approved independent HCV assessor to verify our implementation.
- 4) Cessation of Land Clearing Activities
- RSPO requested BSMJ to cease all development of this "said piece of land,.....". We would appreciate if RSPO can define the total area classified under "this piece of land". During the review by the Certification Body, we are agreeable to temporarily halt all land clearing activities on 400 hectares which we have identified as the 'dispute area' for a period of 6 months. We will continue our regular plantation maintenance work in the 'dispute area' including the planting of LCC to maintain soil conservation and protect the top soil.

In the interest of time, we have attached our comments to the draft joint statement incorporating the above for your consideration. In view of the formality of a joint statement, we would appreciate if you could accede to our request to move the deadline for agreeing to



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its content from the 14th to the 17th of December 2012. In the event we are unable to come to an agreement on the content of the joint statement by 17 December 2012 and RSPO proceeds to publish its letter dated 10 December 2012, we request that RSPO also publish our response letter (02/Sustainability/FR/XII/2012) to RSPO dated 17 December 2012 for completeness.

Thank you and we look forward to your favorable response.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Bambang Dwi Laksono".

Bambang Dwi Laksono
Head Sustainability
First Resources Limited