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NEWS RELEASE

Further clarification on the acquisition of PT DAS in Ketapang District

Jakarta, 6 June 2017 – Bumitama Agri Ltd (“Bumitama” or “The Group”) is a palm oil company committed to environmental and social sustainability. As a responsible company, we realise that the palm oil industry must tackle the problem of deforestation, climate change and social injustice. These commitments have defined our 2015 Sustainability policy of “No Deforestation, No Peat and No Exploitation”. The terms of this Policy apply to all plantations and mills of Bumitama’s subsidiaries, associates and all that we manage.

One of our subsidiaries, PT Gemilang Makmur Subur, partnered with IDH – Sustainable Trade Initiative (“IDH”) and Aidenvironment in the development of a collaborative landscape-based biodiversity and community project in West Kalimantan, named Bumitama Biodiversity and Community Project (“BBCP”). This project combines conservation of biodiversity, management of a wildlife corridor for orangutans and other species between the two forest area of Gunung Tarak and Sungai Putri with participative social and economic development. The corridor will be regulated as [Kawasan Ekosistem Esensial](#) and managed based on a Village Level Land-use Plan (“VLLP”) for 8 villages. This endeavor was [publicly announced in a meeting](#) in January 2017, graced by the Governor of West Kalimantan Drs. Cornelis, MH as well as other stakeholders.

In October 2016, Bumitama was alerted by its partners about deforestation near the BBCP area. We took the opportunity to further secure the corridor with the acquisition of PT Damai Agro Sejahtera (“PT DAS”). The due diligence conducted prior to this acquisition confirmed that PT DAS had obtained the plantation licenses (*Izin Lokasi, Izin Usaha Perkebunan, Izin Lingkungan*) and completed its Environmental Impact Analysis (AMDAL) and High Conservation Value (“HCV”) Assessment. Additionally, it was established that this concession lies in areas designated for protection (*Ekosistem Gambut dengan fungsi lindung*) and cultivation (*Ekosistem Gambut dengan fungsi budidaya*) in accordance with the latest Law on Protection and Management of Peat Ecosystems.

Bumitama announced the acquisition of PT DAS on 20 December 2016, where we have stated that the purpose of PT DAS acquisition was to enhance the biodiversity in the landscape of Ketapang through



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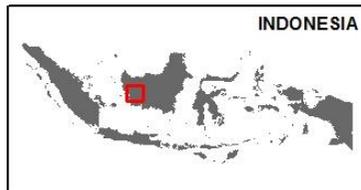
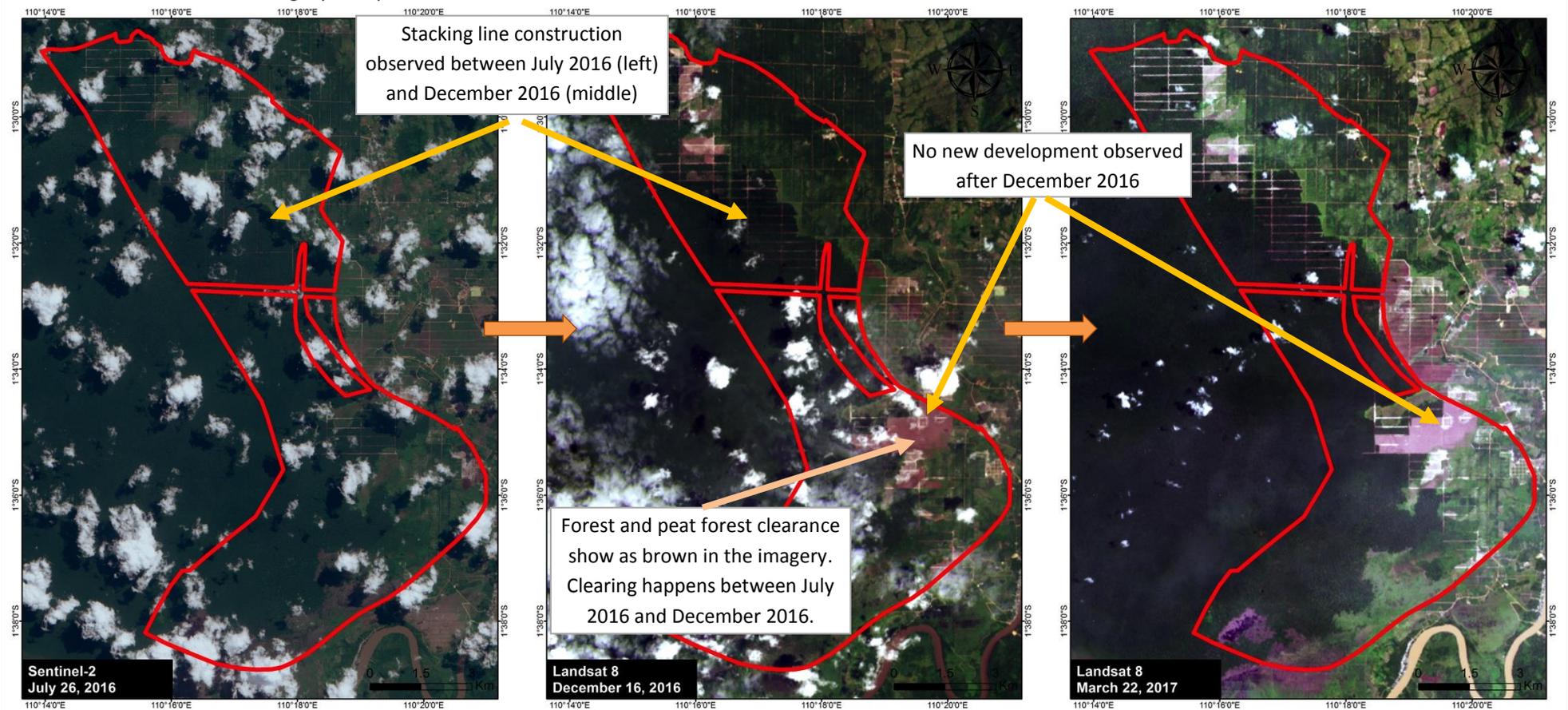
connectivity to the wildlife corridor that we are currently developing. This move has been viewed positively by our partners from IDH in their news release on “*First village land use plan in West Kalimantan*”, whereby the acquisition was recognised as an important step to successfully secure the BBCP project area.

We wish to clarify that any clearing inside of PT DAS prior to its acquisition by Bumitama was conducted by its previous owners, unrelated to the owners of Bumitama or its subsidiaries (please refer to our [SGX announcement](#) for details). All clearing and planting activities were stopped upon completion of the acquisition, as can be witnessed from the satellite imagery time-series attached in Annex 1.

Shortly after the acquisition, an internal office memo was issued by the Bumitama Management, containing instructions for the site operations to uphold a stop-work order for all plantation development until all requirements under the RSPO New Planting Procedure (HCV, SIA, LUCA, GHG) and BAL’s Sustainability policy (Peat, HCS and FPIC) are met. As of today, desktop study and field assessments for SIA, HCV & HCS were carried out, with reports expected to be finalised in June 2017. The indicative results, which will be confirmed with a complete peat delineation survey, suggest that over 6,000 ha of forest containing peat and orangutan habitat could be set aside for conservation.

Our [orangutan nest survey](#) conducted together with Yayasan Inisiasi Alam Restorasi Indonesia (“YIARI”) will support the corridor and conservation development in the landscape, connecting with the BBCP. We are discussing and sharing our nature conservation plans with various regional and central government authorities, including Ministry of Environment and Forestry (“KLHK”) who released the land for non-forestry purposes (“APL”) in 2014. Nevertheless, we will rehabilitate all estate blocking opened by the previous owners. Bumitama stands committed to its 2015 Sustainability Policy and the BBCP collaboration with our valued partners. We will be seeking to clarify our intentions for PT DAS to the concerned stakeholders, inclusive of the representatives of the Central and Regional Government.

Annex 1: PT DAS satellite imagery comparison



aidenvironment

Between 26 July 2016 (left) and 16 December 2016 (middle), constructing stacking line and land clearing activities were identified before the acquisition of PT DAS by Bumitama. The red line shows the oil palm plantation of PT DAS.

Land clearing activities were stopped after the acquisition of PT DAS by Bumitama. The figures from both 16 December 2016 (middle) and 22 March 2017 (right) show that there has been no new development after 20 December 2016.