

For Immediate Release

GAR and SMART publish High Carbon Stock Forest Study Report and continue multi-stakeholder engagement process

Jakarta, Singapore, 4 June 2012 - Golden Agri-Resources Limited (GAR), together with its subsidiary PT SMART Tbk (SMART), today publish the High Carbon Stock (HCS) Forest Study Report and will continue their multi-stakeholder engagement process to find solutions for successful HCS forest conservation.

GAR in collaboration with The Forest Trust (TFT), a global non-profit, launched their Forest Conservation Policy (FCP) on 9 February 2011. The FCP builds on GAR's earlier sustainability commitments which included no conversion of land with HCS (including no planting on peat land regardless of depth), no conversion on High Conservation Value (HCV) areas and continuous oil palm yield improvement. The FCP focuses on no development on HCS forests, HCV forest areas and peat lands; free, prior and informed consent from indigenous and local communities; and compliance with all relevant laws and internationally accepted certification principles and criteria. The FCP applies to all the plantations that GAR owns, manages or invests in regardless of the stake.

Since the launch of the FCP, GAR, together with SMART, TFT and Greenpeace, collaborated in a study to develop a practical, scientifically robust and cost effective methodology to define and identify areas of HCS for conservation. Ultimately, the conserved HCS area can revert to its natural ecological function as a forest. Under this study, fieldwork was conducted and measured 431 plots in four of GAR's concessions in Central and West Kalimantan from second quarter to last quarter of 2011.

The study categorised areas into different strata based on measurements of carbon in the above ground biomass. The study found that six strata could be identified and these correlated with different average carbon stocks. These are:

- **High Density Forest (HK3)** – Remnant forest or advanced secondary forest close to primary condition. Average 192 tC/ha;
- **Medium Density Forest (HK2)** – Remnant forest but more disturbed than High Density Forest. Average 166 tC/ha;
- **Low Density Forest (HK1)** – Appears to be remnant forest but highly disturbed and recovering (may contain plantation/mixed garden). Average 107 tC/ha;
- **Old Scrub (BT)** – Mostly young re-growth forest, but with occasional patches of older forest within the stratum. Average 60 tC/ha;
- **Young Scrub (BM)** – Recently cleared areas, some woody regrowth and grass-like ground cover. Average 27 tC/ha;
- **Cleared/Open Land (LT)** – Very recently cleared land with mostly grass or crops, few woody plants. Average 17 tC/ha.

In line with GAR's multi-stakeholder engagement process, GAR, SMART, TFT and Greenpeace have been consulting key government institutions. Hence, the HCS Forest Study Report is released in conjunction with the REDD+ Task Force seminar titled "Green Practices of Land-Based Industries in Reducing Carbon Emissions" on 5 June 2012. The REDD+ Task Force,

together with other government bodies, are working to fulfil the Indonesian President's commitment to reduce emissions by 26% by 2020.

Daud Dharsono, President Director of SMART said: "The HCS forest methodology moves us closer to ensuring no deforestation footprint in our operations. However, we cannot do this alone and it is vital that all stakeholders work together to support this effort."

Following the REDD+ Task Force seminar, GAR, SMART, TFT and Greenpeace intend to hold wider discussions with representatives from the Government of Indonesia, civil society organisations, local and indigenous communities, key growers and other stakeholders in the Indonesian palm oil industry, to gather feedback on the study and the outcomes. More dialogue is also needed to focus on the ways to up-scale this HCS forest mapping process to regional or national levels, as well as the options on how to conserve, manage and protect areas designated as HCS forests.

Upon gathering the required input and feedback from all stakeholders and with guidance from the REDD+ Task Force, GAR intends to develop its action plans for how it will proceed further with this methodology and will announce this in due course. GAR is focused on playing a leading role in developing a strong multi-stakeholder platform guided by the REDD+ Task Force to find solutions to conserve the forests, create much needed employment and ensure long-term sustainable growth of the palm oil industry which is a vital part of the Indonesian economy.

The HCS Forest Study Report is available in full in English:
www.goldenagri.com.sg/pdfs/misc/High_Carbon_Stock_Forest_Study_Report.pdf.

The Foreword and Executive Summary of the report are available in Bahasa Indonesia:
www.goldenagri.com.sg/pdfs/misc/LaporanPenelitianHutanber-StokKarbonTinggi_-_KataPengantarDanRingkasanEksekutif.pdf.

A Bahasa Indonesia version of the full HCS Forest Study Report will be published in due course.

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About Golden Agri-Resources Ltd ("GAR")

GAR is the world's second largest palm oil plantation company with a total planted area of 455,800 hectares (including smallholders) as at 31 March 2012, located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1996, GAR is listed on the Singapore Exchange since 1999 with a market capitalisation of US\$7.6 billion as at 31 March 2012. Flambo International Limited, an investment company, is GAR's largest shareholder, with a 50% stake. GAR has several subsidiaries, including PT SMART Tbk which is listed on the Indonesia Stock Exchange since 1992.

GAR is focused on sustainable palm oil production. In Indonesia, its primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil

("CPO") and palm kernel; and refining CPO into value-added products such as cooking oil, margarine and shortening. It also has integrated operations in China including a deep-sea port, oilseeds crushing plants, production capabilities for refined edible oil products as well as other food products such as noodles.

About PT SMART Tbk ("SMART")

SMART is one of the largest, publicly-listed, integrated palm-based consumer companies in Indonesia with a total planted area of 138,959 hectares (including smallholders) as at 31 December 2011. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1962, SMART is listed on the Indonesia Stock Exchange since 1992. SMART is a subsidiary of Golden Agri-Resources Ltd ("GAR"), the world's second largest palm oil plantation company which is listed on the Singapore Exchange.

SMART is focused on sustainable palm oil production. Its primary activities include cultivating and harvesting of oil palm trees, processing of fresh fruit bunch into crude palm oil ("CPO") and palm kernel, and refining CPO into value-added products such as cooking oil, margarine and shortening.

Besides bulk and industrial oil, SMART's refined products are also marketed under several brands such as Filma and Kunci Mas. Today, these brands have been recognised for their high quality and command significant market share in their respective segmentation in Indonesia.

SMART also manages all oil palm plantations of GAR. This relationship benefits SMART with its economies of scale in plantation management, information technology, research and development, sourcing of raw material, and access to a wide domestic and international marketing network.

For further information please contact:

For Indonesia:

Ana Saleh
Golden Agri-Resources Ltd
Tel: +62 8811 881199
Fax: +62 21 3181388
Mobile: +62 811191073
Email: ridwanas@goldenagri.com.sg

For Singapore:

Claire Yong/ Ang Shih-Huei
Pelham Bell Pottinger Asia
Tel: +65 6333 3449
Fax: +65 6333 3446
Mobile: +65 9185 0761 / +65 9189 1039
Email: [cyjong@pbp.asia](mailto:cjong@pbp.asia) / sang@pbp.asia