

For Immediate Release

Golden Agri-Resources Initiates Industry Engagement for Forest Conservation

Jakarta, Singapore, 9 February 2011 – Golden Agri-Resources Limited (GAR) and its subsidiaries including PT SMART Tbk (SMART) announced today that it will work with multi-stakeholders including the Government of Indonesia and The Forest Trust (TFT), to find solutions towards forest conservation. These solutions will involve the creation of a fully sustainable palm oil industry which will be part of a growing Indonesian economy. At the same time, it will raise the living standards of the local communities.

GAR has developed a Forest Conservation Policy (FCP) in collaboration with TFT and is aimed at creating long-term sustainable growth for GAR and the palm oil industry. The FCP also aims to ensure that GAR has a no deforestation footprint.

The FCP focuses on no development on High Carbon Stock (HCS) forests, High Conservation Value forest areas and peat lands; respect for indigenous and local communities and compliance with all relevant laws and National Interpretation of Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria. (Please refer to Appendix for full copy of FCP)

For the purposes of this policy, GAR commits to leading the investigation and to promoting the adoption of a new HCS concept, across the palm oil industry. GAR will conduct fieldwork in collaboration with TFT and other stakeholders in the first half of 2011. During such fieldwork, a provisional definition of exceeding 35tC/ha will be used as the HCS forest definition. GAR will share the results of this fieldwork when finalised. The provisional 35tC/ha definition may change as applicable to the industry, and as a result of the fieldwork and after consultations with stakeholders.

The FCP is part of GAR's continuous improvement of its sustainability commitments and will form the basis of the company's engagement with multi-stakeholders. GAR is committed to evaluating and reporting its performance regularly against the FCP in a transparent manner through the website, annual CSR report and on-going engagement with key stakeholders.

GAR recognises that to conserve HCS, the Government of Indonesia plays a critical role particularly with respect to adopting new regulations and enacting relevant legislation so as to enable the transformation of the palm oil industry (including establishing and implementing a land swap process). Key players in the Indonesian palm oil industry should address the conservation policy with respect to HCS; and civil society organisations, local and indigenous communities and other stakeholders must engage in the process to transform the palm oil industry.

Mr. Mahendra Siregar, Vice Minister of Trade of Indonesia said, "The Government of Indonesia welcomes the cooperation between GAR and TFT on sustainable palm oil development that embraces the environmental conservation and social concerns in promoting economic growth. This initiative is an example to find concrete solutions and model for resource-based sectors which is very key to Indonesia's sustainable development. We are supportive of this 'lead by example' partnership that would encourage all players to participate in this process, at this stage and beyond."

Mr. Franky Widjaja, Chairman and CEO of GAR said, "This is the first step towards a wider collaboration with players in the palm oil industry and other independent experts. We look forward to a constructive dialogue and it is only with this multi-stakeholder participation that we can succeed."

Mr Scott Poynton, Executive Director of TFT said, "GAR's commitment today is the fruit of many discussions and field visits over the past months. The company told us it was serious about leading the effort to solve the issue of deforestation facing the palm oil industry. If we get it right, it will be huge for Indonesia's forests and the people and biodiversity that depend on them; not to mention a shot in the arm for the fight against climate change."

The FCP builds on GAR's sustainability efforts articulated on 4 February 2010 which include no conversion of land with HCS (including no planting on peat land regardless of depth), no conversion on High Conservation Value areas and continuous oil palm yield improvement.

GAR is also in the process of developing a Productivity Policy and a Social and Community Engagement Policy to ensure a holistic approach towards its sustainability commitments.

TFT has also been working with GAR to ensure the company meets its target for the RSPO certification by December 2015. GAR is also involved in TFT's work programme around the Nestle Responsible Sourcing Guidelines which ensures Nestle sources its raw materials from suppliers that are sustainable.

Concluded Mr Widjaja, "Palm oil is a strategic product for Indonesia and we are committed to taking a leadership role in finding solutions to ensure the long-term growth of the palm oil industry, the growth of the Indonesian economy and to improve the lives of our people."

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About Golden Agri-Resources Ltd ("GAR")

Headquartered in Singapore, GAR is the world's second largest palm oil plantation company with a total planted area of 435,000 hectares (including smallholders) as at 30 September 2010, 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\$5.25 billion as at 30 September 2010. Flambo International Ltd, an investment company, is GAR's largest shareholder, with a 49% 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.

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Forest Conservation Policy

1. GAR wants to ensure that its palm oil operations have no deforestation footprint. Core to this is:

- no development on high carbon stock forests
- no development on high conservation value forest areas
- no development on peat lands
- free, prior and informed consent for indigenous and local communities
- compliance with all relevant laws and National Interpretation of RSPO Principles and Criteria

2. We adopt a forest conservation policy for all the plantations that we own, manage or invest in regardless of the stake.

3. To promote this forest conservation policy across the palm oil industry, we will leverage our leadership position and advocate this policy in partnership with the Indonesian and global community.

4. High Carbon Stock (“HCS”) Forests

4.1 For the purposes of this policy, we commit to leading the investigation and to promoting the adoption of this new HCS concept, across the palm oil industry.

4.2 We recognise that to conserve the HCS:

- the Government of Indonesia plays a critical role particularly with respect to adopting new regulations and enacting relevant legislation so as to enable the transformation of the palm oil industry (including establishing and implementing a land swap process);
- key players in the Indonesian palm oil industry should address the conservation policy with respect to HCS; and
- civil society organisations, local and indigenous communities and other stakeholders must engage in the process to transform the palm oil industry.

4.3 GAR will conduct fieldwork in collaboration with TFT and other stakeholders in the first half of 2011. During such fieldwork, a provisional definition of exceeding 35tC/ha will be used as HCS forest definition. We will share the results of this fieldwork when finalised. The provisional 35 tC/ha definition may change as applicable to the industry, and as a result of the fieldwork and after consultations with stakeholders.

5. High Conservation Value Forest Areas and Peat Lands

5.1 In line with our 4 Feb 2010 commitments, we will ensure that there is no conversion of High Conservation Value (“HCV”) forest areas and we will not develop on any peat lands regardless of depth within our concessions. We will work with stakeholders to manage the ecological functions of peat in our concessions.

5.2 We will seek to conserve biodiversity, as part of our policy to protect HCV areas.

6. Free, Prior and Informed Consent for Indigenous and Local Communities

GAR respects and recognises the long term customary rights of the indigenous and forest dwelling communities to their traditional land and commits to ensuring free, prior and informed consent from these communities prior to commencing any operations.

7. Compliance with All Relevant Laws and RSPO Principles and Criteria

GAR will continue to comply with all relevant laws and regulations as well as RSPO Principles and Criteria in relation to forest conservation.

8. Monitoring and Evaluation

8.1 We understand that as new issues arise and new technologies become available, new policies and practices will need to be developed or adapted. We commit to maintaining an open learning approach to management and responding to new issues arising from monitoring and evaluation processes.

8.2 We commit to evaluating and reporting our performance regularly against this policy in a transparent manner through our website, annual CSR report and on-going engagement with key stakeholders.

Developed by GAR in consultation with TFT

09 February 2011