



GOLDEN AGRI-RESOURCES LTD

PROPOSED ISSUE OF CONVERTIBLE BONDS

1. Introduction

The Directors of Golden Agri-Resources Ltd (“**GAR**” or the “**Company**”) wish to announce that the Company proposes to issue bonds (the “**Convertible Bonds**”) convertible into new ordinary shares of US\$0.10 each (the “**New Shares**”) in the capital of the Company. The Convertible Bonds are proposed to be placed with institutional investors and accredited investors. The Company has appointed Citigroup Global Markets Singapore Pte. Ltd. and BNP Paribas, Singapore Branch to act as Joint Global Coordinators, and Citigroup Global Markets Singapore Pte. Ltd., BNP Paribas, Singapore Branch and UBS AG, Singapore Branch to act as Joint Bookrunners and Joint Lead Managers of the issue of the Convertible Bonds.

2. Details of the Issue

GAR proposes to issue approximately US\$400 million in aggregate principal amount of Convertible Bonds (the “**Issue**”). The terms and conditions of the Convertible Bonds (the “**Terms and Conditions**”) will be confirmed upon the pricing of the Issue.

3. Pricing of the Convertible Bonds

Pricing of the Convertible Bonds is expected to take place on or about 27 July 2007. An announcement will be made by GAR of the definitive terms of the Convertible Bonds following pricing.

4. Status of Convertible Bonds

The Convertible Bonds will constitute direct, senior, unsubordinated, unconditional and, subject to the Terms and Conditions, unsecured obligations of the Company and shall at all times rank *pari passu* and without preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds will, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Terms and Conditions, at all times rank at least equally with all its other present and future direct, senior, unsubordinated, unconditional and unsecured obligations.

5. Listing of Convertible Bonds

An application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the Convertible Bonds and the New Shares on the Official List of the SGX-ST.

6. Conditions

The Issue is conditional upon, *inter alia*, the approval in-principle of the SGX-ST for the listing and quotation of the Convertible Bonds and the New Shares on the Official List of the SGX-ST.

7. Closing Date

The closing date for the Issue is expected to be on or about 1 August 2007.

8. Use of Proceeds

The Company expects to apply the net proceeds of the Issue to finance the acquisition of shares in its subsidiary, P.T. Sinar Mas Agro Resources and Technology Tbk and to finance the expansion of its plantations through acquisitions of or joint ventures with third party plantation companies. The remaining net proceeds of the Issue will be applied toward the Company's general corporate purposes.

9. Financial Effects of the Issue

The financial effects of the Issue will depend on the terms of the Convertible Bonds and will be disclosed in the announcement to be issued by the Company following pricing of the Issue.

10. Interests of Directors and Substantial Shareholders

None of the Directors and substantial shareholders of the Company have any interest, direct or indirect, in the Issue.

BY ORDER OF THE BOARD

Simon Lim
Director
18 July 2007

This announcement is not an offer of securities for sale in the United States. Securities may not be sold in the United States unless they are registered or are exempt from registration. The Company does not intend to register any portion of this offering in the United States or elsewhere or to conduct a public offering in the United States.

It may be unlawful to distribute this announcement in certain jurisdictions. This announcement is not for distribution in Canada, Japan or Australia. The information in this announcement does not constitute an offer of securities for sale in Canada, Japan or Australia.

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ABOUT GOLDEN AGRI-RESOURCES LTD

Listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") in 1999, Golden Agri-Resources Ltd ("GAR") is one of the world's largest oil palm plantation companies.

With a total planted area of 338,000 hectares located in Indonesia, GAR operates 31 palm oil processing mills, 2 refineries and 4 kernel crushing plants. The Company's primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil ("CPO") and palm kernel oil; and refining CPO into value-added products such as cooking oils, margarine and shortening.

GAR's operations in China include refineries, port and oil-seed crushing facilities in Ningbo and Zhuhai.

The Group's revenue in 2006 was US\$1.1 billion.

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Submitted by Kimberley Lye Chor Mei, Senior Manager on 18/7/2007 to the SGX