WIJAYA BARU GLOBAL BERHAD (“WBGB” OR THE "COMPANY")

PROPOSED ACQUISITIONS BY WBGB OF 100% EQUITY INTEREST IN SUFFOLK PTE LTD (“SPL”) AND WEALTHGATE PTE LTD (“WPL”) FOR AN AGGREGATE PURCHASE CONSIDERATION OF AT USD80 MILLION (APPROXIMATELY RM255.2 MILLION) TO BE SATISFIED IN CASH

1. INTRODUCTION

On behalf of the Board of Directors of WBGB (“**Board**”), AmInvestment Bank Berhad (a member of AmInvestment Bank Group) (“**AmInvestment Bank**”), is pleased to announce that the Company had on 3 October 2011 entered into two (2) separate conditional share sale agreements in relation to the following:-

(a) proposed acquisition by the Company of 10 ordinary shares in SPL (“**SPL Shares**”) representing 100% of its issued and paid-up share capital from Adwir Boy (“**SPL Vendor**”) for a cash consideration of United States Dollar (“**USD**”) 40 million (“**Proposed SPL Acquisition**”); and

(b) proposed acquisition by the Company of 10 ordinary shares in WPL (“**WPL Shares**”) representing 100% of its issued and paid-up share capital from Hafiz Arief (“**WPL Vendor**”) for a cash consideration of USD40 million (“**Proposed WPL Acquisition**”).

The above agreements shall herein be referred to as “**SPL SSA**” and “**WPL SSA**” respectively. The Proposed SPL Acquisition and Proposed WPL Acquisition are collectively known as the “**Proposed Acquisitions**”. The SPL Vendor and WPL Vendor are collectively known as the “**Vendors**”. The SPL and WPL are collectively known as “**Acquiree Companies**”.

2. PROPOSED SPL ACQUISITION

2.1 Details of the Proposed SPL Acquisition

The Proposed SPL Acquisition involves the acquisition by WBGB of 10 SPL Shares representing 100% of the issued and paid-up share capital of SPL from Adwir Boy for a cash consideration of USD40 million or approximately RM127.6 million (based on the exchange rate of USD1.00:RM3.19 as at 30 September 2011) (“**SPL Purchase Consideration**”).

SPL had on 24 August 2011 signed and executed a joint venture agreement with PT Trimegah Karya Utama (“**TKU**”), whereby SPL as joint venturer has been granted the exclusive rights to undertake the extraction and sale of timber from lands located in the District of Jair, Regency of Boven Digoel, Province of Papua, Indonesia measuring approximately 40,000 hectares in aggregate (“**TKU Property**”). The commencement of the extraction and sale of timber will take place upon the issue of a Surat Keputusan (“**Letter of Approval**”) by the Ministry of Forestry of the Republic of Indonesia (“**Ministry of Forestry**”). The Letter of Approval is to enable the extraction of timber for the eventual purpose of Conversion of the Properties to Other Utilization Area. After the Letter of Approval is issued and timber extraction activities have commenced, the National Land Authority of Indonesia will issue the Decree Letter of rights to cultivate (“**SKHGU**”) and the certificate of rights to cultivate (“**SHGU**”), alienating the lands to TKU for the eventual cultivation of oil palm. At this juncture, SPL as joint venturer will have the discretionary rights to carry out the cultivation of oil palm on the TKU Property owned by TKU through joint venture, sub-contracts or other suitable arrangements, including the discretionary rights to carry out such other component activities related to the cultivation of oil palm (“**SPL JVA**”). The details of the SPL JVA are set out in Section 2.4 of this Announcement.

Upon completion of the Proposed SPL Acquisition, SPL shall be a wholly-owned subsidiary of WBGB.

2.2 Salient Terms of SPL SSA

The salient terms of the SPL SSA include, *inter-alia*, the following:-

2.2.1 Agreement to Sale and Purchase of SPL Shares

Subject to the terms of the SPL SSA, the Company shall purchase the SPL Shares from SPL Vendor, free from all claims or encumbrances whatsoever together with all attached or accrued rights and benefits attached thereto as at the completion date together with valid and enforceable rights as per the terms of the SPL JVA for the SPL Purchase Consideration payable in the manner set out in Section 2.2.2 of this Announcement.

The Company shall be entitled to all dividends, rights and profit distributions declared paid or made in respect of the SPL Shares and the financial interest arising from the SPL JVA whether before or on or after the execution of SPL SSA.

2.2.2 SPL Purchase Consideration

The consideration payable for the SPL Shares shall be the sum of USD40.0 million to be paid in the manner set out below:-

(a) a sum of USD50,000 shall be paid by the Company to the SPL Vendor's solicitors as a deposit on execution of the SPL SSA ("**the SPL Deposit**");

(b) a sum of USD25.05 million shall be paid by the Company or its financiers (as the case may be) to the SPL Vendor's solicitors as part payment of the SPL Purchase Consideration on or before 20 December 2011 or such other mutually extended date provided the conditions set out in Section 2.2.3 (i) to (v) of this Announcement have been satisfied ("**the SPL First Installment**"); and

(c) the balance sum of USD14.9 million shall be paid by the Company to the SPL Vendor's solicitors as part payment of the SPL Purchase Consideration within three (3) months after the satisfaction of the condition set out in Section 2.2.3 (vi) of this Announcement ("**the Balance SPL Purchase Consideration**").

All monies paid to the SPL Vendor's solicitors towards the SPL Purchase Consideration shall be held by the SPL Vendor's solicitors as stakeholders in an interest bearing account and dealt with in accordance with the terms of the SPL SSA.

In the event the conditions as set out in Section 2.2.3 of this Announcement are not met for any reason whatsoever, the SPL Vendor or the SPL Vendor's solicitors (as the case may be) shall forthwith without set-off deduction or counterclaim refund to the Company any and all monies paid by the Company towards the SPL Purchase Consideration together with interest accrued thereon.

2.2.3 Conditions Precedent

The obligations of the SPL Vendor to sell and of the Company to purchase on the terms of the SPL SSA are conditional upon:-

(i) The approval of the shareholders of the Company in general meeting for the acquisition of the SPL Shares;

(ii) The Company being satisfied in all respects prior to completion with the results of its enquiries into the financial and other affairs of SPL, TKU, the TKU Property and the TKU Projects (as defined below) and with the results of the due diligence conducted by SPL on the TKU Project, the TKU Property and TKU respectively pursuant to the terms of the SPL JVA;

(iii) the provision of legal opinions from Indonesian solicitors appointed by the Company in a form acceptable to the Company confirming the following:-

   (i) that the SPL JVA and the TKU Projects PA (as defined below) and the TKU Shares PA (as defined below) is binding on the parties to the same;

   (ii) that the SPL JVA, the TKU Projects PA and the TKU Shares PA are lawful, valid and enforceable by the Company under the laws of the Republic of Indonesia; and

   (iii) that the TKU Primary Approvals (as defined below) have been properly applied for and are lawful valid and enforceable by TKU.

   (collectively referred to as the "**SPL Legal Opinions**");

(iv) the provision of an undertaking from TKU addressed to SPL in a form and substance acceptable to the Company that it shall do all things necessary and expedient to apply for and secure the TKU Secondary Approvals (as defined below);

(v) such other regulatory and/or governmental authority approval required for the sale and purchase of the SPL Shares contemplated herein under the applicable laws and regulations of Malaysia and/or Singapore; and

(vi) the issuance of the Letter of Approval.

(collectively referred to as the "**SPL Conditions**").

The Company and SPL Vendor shall use all reasonable endeavors to procure that the SPL Conditions are fulfilled within three (3) months from the date of the SPL SSA or such other extended date not later than six (6) months from the date of the SPL SSA as may be mutually agreed to in writing by the Company and the SPL Vendor ("**SPL SSA Cut-Off Date**"). In the event any of the SPL Conditions are not met by the SPL SSA Cut-Off Date, the SPL SSA shall lapse and be of no further effect save and except that the SPL Vendor shall forthwith refund any and all monies paid by the Company to the SPL Vendor or the SPL Vendor's Solicitors towards the SPL Purchase Consideration including but not limited to the SPL Deposit and the SPL First Installment without set-off deduction or counterclaim and thereafter, neither party shall have any claim against each other save and except for antecedent breaches.

2.3 Information on SPL

SPL was incorporated in Singapore on 8 January 2009 as a private limited company. SPL has not commenced business operation since its incorporation and do not have any subsidiary or associated company.
Presently, it has 10 SPL Shares have been issued and fully paid-up.

The directors of SPL are Adwir Boy and Chin Woon Yen Magdalene.

The existing shareholder of SPL and his shareholdings as at 3 October 2011 are as follows:-

Shareholder	No. of SPL Shares	% of Total Issued SPL Shares
Adwir Boy	10	100.0

2.4 SPL JVA

SPL had on 24 August 2011 entered into the SPL JVA with TKU to acquire the following:-

(i) the immediate rights to undertake the extraction and sale of timber on TKU Property subject to the issuance of the Letter of Approval ("**TKU Project A**"); and

(ii) the eventual discretionary rights to own the TKU Property and thereafter cultivate oil palm on the TKU Property and sell palm oil and undertake other related activities subject to the granting of the TKU Secondary Approvals (as hereinafter defined) and the satisfaction of other applicable conditions ("**TKU Project B**")

Under the terms of the SPL JVA, SPL is;-

(i) exclusively entitled to undertake and implement all activities pertaining TKU Project A in the manner it deems fit and expedient immediately upon the issuance of the Letter of Approval; and

(ii) entitled to elect at its sole discretion to undertake and implement any activities pertaining to TKU Project B after issuance of the TKU SKHGU (as defined below) and TKU SHGU (as defined below) respectively through joint ventures, sub-contracts or other suitable arrangements.

TKU Project A and such components of TKU Project B which may be undertaken by SPL under the terms of the SPL JVA are collectively referred to "**TKU Projects**".

The only approval remaining to be obtained with respect to TKU's rights to implement and undertake TKU Project A is the Letter of Approval. TKU has represented to SPL that the Letter of Approval will be issued on or before end December 2011 or such other mutually extended date which shall not be later than end March 2012.

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The commencement of TKU Project B is further subject to the licenses, approvals, consents and permits currently issued to TKU ("**TKU Primary Approvals")** remaining in force and the following additional approvals being obtained provided all applicable preconditions set by the relevant authorities of Indonesia are met:-

(i) SKHGU issued by the Badan Pertanahan Nasional (National Land Authority) granting ownership rights to TKU over the TKU Property and the rights to commence cultivation of oil palm on the TKU Property subject to the payment of fees, premium and other related cost and subject to the extraction of the TKU SHGU ("**TKU SKHGU**"); and

(ii) SHGU issued by the Badan Pertanahan Nasional (National Land Authority) granting ownership rights to TKU over the TKU Property and the rights to commence cultivation of oil palm on the TKU Property ("**TKU SHGU**").

(collectively referred to as the "**TKU Secondary Approvals**").

Pursuant to the SPL JVA, TKU has represented to SPL that:-

(i) the TKU Primary Approval are valid subsisting legal and enforceable and nothing has been done or omitted to be done to render the TKU Primarily Approvals invalid or being capable of revocation;

(ii) barring unforeseen circumstances beyond the control of TKU, the Letter of Approval will be issued on or before the end of December 2011 or such other mutually extended date which shall be no later than March 2012;

(iii) subject to TKU satisfying all preconditions imposed by the relevant authorities of Indonesia, the TKU SKHGU and the TKU SHGU comprising the TKU Secondary Approvals will in all probability be obtained approximately two (2) years from the commencement of TKU Project A;

(iv) the legal and beneficial right of TKU in the TKU Property and TKU's rights in the TKU Projects are valid subsisting legal and enforceable to the extent of the TKU Primary Approvals and subject to the TKU Secondary Approvals being met;

(v) nothing has been done or omitted to be done to render TKU's interests in the TKU Property or its rights to the TKU Projects invalid or being capable of revocation or termination; and

(vi) TKU has the full benefit of the TKU Primary Approvals and will have the full benefit of the TKU Secondary Approvals when obtained.

In pursuance of the SPL JVA and as security for SPL to meet its obligations under the terms of the SPL JVA, SPL and TKU have also entered into the following agreements and/or instruments to secure all financial, operational and management rights in TKU, the TKU Property and the TKU Projects:-

(i) Power of attorney over the TKU Property and TKU Projects dated 24 August 2011 granted by TKU to SPL ("**TKU Projects PA**"); and

(ii) Power of attorney over 90% or 225,000 ordinary shares of Rupiah ("**Rp**") 1,000 each in TKU ("**TKU Shares**") dated 24 August 2011 granted by the shareholders of TKU to SPL ("**TKU Shares PA**").

SPL JVA, TKU Projects PA and TKU Shares PA are collectively referred to as the "**TKU Agreements**".

The details of the salient terms of SPL JVA are set out in Appendix I of this Announcement.

2.5 Salient Financial Information on SPL

The unaudited financial statements of SPL for the financial period/year ended 30 April 2010 to 2011 are as follows:-

	^Unaudited	
	Financial period from 8 January 2010 to 30 April 2010	**Financial year ended 30 April 2011**
	SGD	**SGD**
Revenue	-	-
Profit before tax	-	-
Profit after tax	-	-
Shareholders' funds/ net asset ("**NA**")	10	10
Total assets	10	10
Total borrowings	-	-

Note:-

^ *Under the amended Companies Act of Singapore, dormant companies are not mandated by Singapore law to audit their accounts.*

3. PROPOSED WPL ACQUISITION

3.1 Details of the Proposed WPL Acquisition

The Proposed WPL Acquisition involves the acquisition by WBGB of 10 WPL Shares representing 100% of the issued and paid-up share capital of WPL from Hafiz Arief for a cash consideration of USD40 million or approximately RM127.6 million (based on the exchange rate of USD1.00:RM3.19 as at 30 September 2011) ("**WPL Purchase Consideration**").

WPL had on 24 August 2011 signed and executed a joint venture agreement with PT Manunggal Sukses Mandiri ("**MSM**"), whereby WPL as joint venturer has been granted the exclusive rights to undertake the extraction and sale of timber from lands located in the District of Jair, Regency of Boven Digoel, Province of Papua, Indonesia measuring approximately 40,000 hectares in aggregate ("**MSM Property**"). The commencement of the extraction and sale of timber will take place upon the issue of the Letter of Approval by the Ministry of Forestry. The Letter of Approval is to enable the extraction of timber for the eventual purpose of Conversion of the Properties to Other Utilization Area. After the Letter of Approval is issued and timber extraction activities have commenced, the National Land Authority of Indonesia will issue the SKHGU and the SHGU, alienating the lands to MSM for the eventual cultivation of oil palm. At this juncture, WPL as joint venturer will have the discretionary rights to carry out the cultivation of oil palm on the MSM Property owned by MSM through joint venture, sub-contracts or other suitable arrangements, including the discretionary rights to carry out such other component activities related to the cultivation of oil palm ("**WPL JVA**"). The details of the WPL JVA are set out in Section 3.4 of this Announcement.

Upon completion of the Proposed WPL Acquisitions, WPL shall be a wholly-owned subsidiary of WBGB.

3.2 Salient Terms of WPL SSA

The salient terms of the WPL SSA include, *inter-alia*, the following:-

3.2.1 Agreement to Sale and Purchase of WPL Shares

Subject to the terms of the WPL SSA, the Company shall purchase the WPL Shares from WPL Vendor, free from all claims or encumbrances whatsoever together with all attached or accrued rights and benefits attached thereto as at the completion date together with valid and enforceable rights as per the terms of the WPL JVA for the WPL Purchase Consideration payable in the manner set out in Section 3.2.2 of this Announcement.

The Company shall be entitled to all dividends, rights and profit distributions declared paid or made in respect of the WPL Shares and the financial interest arising from the WPL JVA whether before or on or after the execution of WPL SSA.

3.2.2 WPL Purchase Consideration

The WPL Purchase Consideration shall be paid and/or satisfied in the following manner:-

(a) a sum of USD50,000 shall be paid by the Company to the WPL Vendor's solicitors as a deposit on execution of the WPL SSA ("**the WPL Deposit**");

(b) a sum of USD25.05 million shall be paid by the Company or its financiers (as the case may be) to the WPL Vendor's solicitors as part payment of the WPL Purchase Consideration on or before 20 December 2011 or such other mutually extended date provided the conditions set out in Section 3.2.3 (i) to (v) of this Announcement have been satisfied ("**the WPL First Installment**"); and

(c) the balance sum of USD14.9 million shall be paid by the Company to the WPL Vendor's solicitors as part payment of the WPL Purchase Consideration within three (3) months after the satisfaction of the condition set out in Section 3.2.3 (vi) of this Announcement ("**the Balance WPL Purchase Consideration**").

All monies paid to the WPL Vendor's solicitors towards the WPL Purchase Consideration shall be held by the WPL Vendor's solicitors as stakeholders in an interest bearing account and dealt with in accordance with the terms of the WPL SSA.

In the event the conditions as set out in Section 3.2.3 of this Announcement are not met for any reason whatsoever, the WPL Vendor or the WPL Vendor's solicitors (as the case may be) shall forthwith without set-off deduction or counterclaim refund to the Company any and all monies paid by the Company towards the WPL Purchase Consideration together with interest accrued thereon.

3.2.3 Conditions Precedent

The obligations of the WPL Vendor to sell and of the Company to purchase on the terms of the WPL SSA are conditional upon:-

(i) The approval of the shareholders of the Company in general meeting for the acquisition of the WPL Shares;

(ii) The Company being satisfied in all respects prior to completion with the results of its enquiries into the financial and other affairs of WPL, MSM, the MSM Property and the MSM Projects (as defined below) and with the results of the due diligence reports conducted by WPL on the MSM Project, the MSM Property and MSM respectively pursuant to the terms of the WPL JVA;

(iii) the provision of legal opinions from Indonesian solicitors appointed by the Company in a form acceptable to the Company confirming the following:-

(a) that the WPL JVA and the MSM Projects PA (as defined below) and the MSM Shares PA (as defined below) is binding on the parties to the same;

(b) that the MSM JVA, the MSM Projects PA and the MSM Shares PA are lawful, valid and enforceable by WPL under the laws of the Republic of Indonesia; and

(c) that the MSM Primary Approvals (as defined below) have been properly applied for and are lawful valid and enforceable by MSM.

(collectively referred to as the "**WPL Legal Opinions**");

(iv) the provision of an undertaking from MSM addressed to WPL in a form and substance acceptable to the Company that it shall do all things necessary and expedient to apply for and secure the MSM Secondary Approvals;

(v) such other regulatory and/or governmental authority approval required for the sale and purchase of the WPL Shares contemplated herein under the applicable laws and regulations of Malaysia and/or Singapore; and

(vi) the issuance of the Letter of Approval.

(collectively referred to as the "**WPL Conditions**").

The Company and WPL Vendor shall use all reasonable endeavors to procure that the WPL Conditions are fulfilled within three (3) months from the date of the WPL SSA or such other extended date not later than six (6) months from the date of the WPL SSA as may be mutually agreed to in writing by the Company and the WPL Vendor ("**WPL SSA Cut-Off Date**"). In the event any of the WPL Conditions are not met by the WPL SSA Cut-Off Date, the WPL SSA shall lapse and be of no further effect save and except that the WPL Vendor shall forthwith refund any and all monies paid by the Company to the WPL Vendor or the WPL Vendor's solicitors towards the WPL Purchase Consideration including but not limited to the WPL Deposit and the WPL First Installment without set-off deduction or counterclaim and thereafter, neither party shall have any claim against each other save and except for antecedent breaches.

3.3 Information on WPL

WPL was incorporated in Singapore on 18 January 2011 as a private limited company. WPL has not commenced business operation since its incorporation and do not have any subsidiary or associated company

Presently, it has 10 WPL Shares have been issued and fully paid-up.

The directors of WPL are Hafiz Arief and Lee Poh Kwan.

The existing shareholder of WPL and his shareholdings as at 3 October 2011 are as follows:-

Shareholder	No. of WPL Shares	% of Total Issued WPL Shares
Hafiz Arief	10	100.0

3.4 WPL JVA

WPL had on 24 August 2011 entered into the WPL JVA with MSM to acquire the followings:-

(i) the immediate rights to undertake the extraction and sale of timber on MSM Property subject to the issuance of the Letter of Approval ("**MSM Project A**"); and

(ii) the eventual discretionary rights to own the MSM Property and thereafter cultivate oil palm on the MSM Property and sell palm oil and undertake other related activities subject to the granting of the MSM Secondary Approvals (as hereinafter defined) and the satisfaction of other applicable conditions ("**MSM Project B").**

Under the terms of the WPL JVA, WPL is;-

(i) exclusively entitled to undertake and implement all activities pertaining MSM Project A in the manner it deems fit and expedient immediately upon the issuance of the Letter of Approval; and

(ii) entitled to elect at its sole discretion to undertake and implement any activities pertaining to MSM Project B after issuance of the MSM SKHGU (as defined below) and MSM SHGU (as defined below) respectively through joint ventures, sub-contracts or other suitable arrangements.

MSM Project A and such components of and MSM Project B which may be undertaken by WPL under the terms of the WPL JVA are collectively referred to "**MSM Projects**".

The only approval remaining to be obtained with respect to MSM's rights to implement and undertake MSM Project A is the Letter of Approval. TKU has represented to SPL that the Letter of Approval will be issued on or before end December 2011 or such other mutually extended date which shall not be later than end March 2012.

The commencement of MSM Project B is further subject to the licenses, approvals, consents and permits currently issued to MSM ("**MSM Primary Approvals")** remaining in force and the following additional approvals being obtained provided all applicable preconditions set by the relevant authorities of Indonesia are met:-

(i) SKHGU issued by the Badan Pertanahan Nasional (National Land Authority) granting ownership rights to MSM over the MSM Property subject to the payment of fees, premium and other related cost and subject to the extraction of the MSM SHGU ("**MSM** SK**HGU**"); and

(ii) SHGU issued by the Badan Pertanahan Nasional (National Land Authority) granting ownership rights to MSM over the MSM Property and the rights to commence cultivation of oil palm on the MSM Property ("**MSM SHGU**").

(collectively referred to as the "**MSM Secondary Approvals**").

Pursuant to the WPL JVA, MSM has represented to WPL that:-

(i) the MSM Primary Approval are valid subsisting legal and enforceable and nothing has been done or omitted to be done to render the MSM Primary Approvals invalid or being capable of revocation;

(ii) barring unforeseen circumstances beyond the control of TKU, the Letter of Approval will be issued on or before the end of December 2011 or such other mutually extended date which shall be no later than March 2012;

(iii) subject to MSM satisfying all preconditions imposed by the relevant authorities of Indonesia, the MSM SKHGU and the MSM SHGU comprising the MSM Secondary Approvals will in all probability be obtained approximately two (2) years from the commencement of MSM Project A;

(iv) the legal and beneficial right of MSM in the MSM Property and MSM's rights in the MSM Projects are valid subsisting legal and enforceable to the extent of the MSM Primary Approvals and subject to the MSM Secondary Approvals being met;

(v) nothing has been done or omitted to be done to render MSM's interests in the MSM Property or its rights to the MSM Projects invalid or being capable of revocation or termination; and

(vi) MSM has the full benefit of the MSM Primary Approvals and will have the full benefit of the MSM Secondary Approvals when obtained.

In pursuance of the WPL JVA and as security for SPL to meet its obligations under the terms of the SPL JVA, WPL and MSM have also entered into the following agreements and/or instruments to secure all financial, operational and management rights in MSM, the MSM Property and the MSM Projects:-

(i) Power of attorney over the MSM Property and MSM Project dated 24 August 2011 granted by MSM to WPL ("**MSM Projects PA**"); and

(ii) Power of attorney over 90% or 225,000 ordinary shares of Rp 1,000 each in MSM ("**MSM Shares**") dated 24 August 2011 granted by the shareholders of MSM to WPL ("**MSM Shares PA**").

WPL JVA, MSM Projects PA and MSM Shares PA are collectively referred to as the "**MSM Agreements**".

The details of the salient terms of WPL JVA are set out in Appendix II of this Announcement.

3.5 Salient Financial Information on WPL

The audited financial statement of WPL is not available as WPL is a newly incorporated private limited company on 18 January 2011.

4. BASIS AND JUSTIFICATION FOR TOTAL PURCHASE CONSIDERATION OF THE PROPOSED ACQUISITIONS

The aggregate purchase consideration for the Proposed Acquisitions amounting to USD80.0 million or approximately RM255.2 million (based on the exchange rate of USD1.00:RM3.19 as at 30 September 2011) ("**Total Purchased Consideration**") was arrived at between the Company and the Vendors on a "willing-buyer willing-seller" basis after taking into consideration the following:-

(a) the total market value of the TKU Property and MSM Property (collectively referred to as the "**Subject Properties**") of approximately RM296.0 million ("**Total Market Value**"), as appraised by Azmi & Co (Shah Alam) Sdn Bhd, an independent firm of professional valuer ("**Azmi & Co**" or "**Independent Valuer**");

(b) represents a discount of 4.2% or RM11.2 million to the (1) 90% of Total Market Value of the Subject Properties of approximately of RM266.4 million; and

(c) the earnings potential and future prospect of SPL and WPL pursuant to the SPL JVA and WPL JVA respectively.

Note:

(1) Based on 90% of the financial interest of Acquiree Companies on the Subject Properties.

5. DETAILS OF TKU Property and MSM Property

The Subject Properties are both located along Sungai Digoel near Asikie in the District of Jair, Boven Digoel Regency, Papua Province, Republic Of Indonesia at close proximity to the Indonesian –Papua New Guinea border.

MSM Property is located adjoining to the north of TKU Property. The Subject Properties lies within coordinates, N=6^{o}30', E=139^{o}30' and N=7^{o}00', E=140^{o}30' and is about 600 km from the North Australia and 100 km to the Papua New Guinea border. The administration capital for Boven Digoel Regency, Tanah Merah is located 130 kilometers north-east of the Subject Properties.

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The details of the Subject Properties are set out below:-

Legal Description	:	MSM Property and TKU Property in the District of Jair, Boven Digoel Regency, Papua Province, Republic Of Indonesia	
Location	:	Located along Sungai Digoel near Asikie in the District of Jair, Boven Digoel Regency, Papua Province, Republic Of Indonesia	
Tenure	:	The Subject Properties will be issued with '*HGU*" upon the Letter of Approval for the release of forest land for oil palm plantation and after the Subject Properties has been cultivated with oil palm for a year. The tenure of the subject property will be 30 years with right of extension for another 30 years.	
Category of Land Use	:	Agriculture	
Land Area	:	MSM Property	40,000 hectares (98,842 acres)
		TKU Property	40,000 hectares (98,842 acres)
		Total	80,000 hectares (197,684 acres)
Planning	:	The Subject Properties have been earmarked for clear felling and conversion into oil palm plantations by the government of Republic of Indonesia	

The Subject Properties is presently covered with primary forests containing wide variety of timber species. As per the Izin Lokasis, the relevant authorities of Indonesia require the companies issued the Izins are to optimise the use of the timber. The companies thus upon obtaining a 'Izin Pemanfaatan Kayu (IPK)' can merchandise the timber products and other products found within the forests within the Subject Properties.

A valuation has been conducted to assess the market value of the Subject Properties. Based on the valuation report dated 30 September 2011 ("**Valuation Report**") prepared by Azmi & Co. The Total Market Value of the Subject Properties is RM296.0 million based on the combination of discounted cash flow method and comparison method of valuation. The material date of valuation of the Subject Properties is 25 September 2011.

The timber species and timber inventory have been studied and determined by TropBio Forest Sdn Bhd ("**TFSB**") an independent forester appointed by the Company to provide professional assistance on matters pertaining to the timber inventory including volume estimation of the concession area ("**Forest Assessment Report**").

According to the Forest Assessment Report, the area is mostly dominated by Non Dipterocarp trees that make up 72% of the total inventoried trees. Genus *Eugenia* (Kelat) is the most abundant, comprising of 36% from the total present Non Dipterocarp trees. The genus medium hard wood is next followed by genus *Callophyllum* (5%). As for the Dipterocarp species, the genus Resak is the most abundant and makes up about 16% of the total trees present. Other Dipterocarp species available are Giam (6%), Mersawa (2%), Merawan (2%), *Vatica* (1%), white Meranti (1%) and others dipterocarp (2%).

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Based on the Forest Assessment Report, the Subject Properties under consideration contain approximately 90% of the areas approved under "Izin Lokasis" or 72,000 hectares (177,915 acres) of the land area covered with primary forests. Based on the net volume of about 161.61 m3 per hectare (89.65 tonnes per hectare), the total volume of timber found within the Subject Properties amounts to 11,636,005 m3 or 6,455,123 tonnes.

For illustration purposes, based on the Valuation Report, the estimated total income receivable for the extractable timber within the Subject Properties is as follows:-

Gross area	80,000 hectares
Net harvestable volume (40% taken for size, terrain and defects)	161.61 m^3 per hectare
Net merchantable timber volume	11,636,005 m^3
Estimated number of years to clear fell	6 years
Area harvested per annum for 6 years	12,000 hectares
Extractable volume per year for 6 years	1,939,334 m^3
Average log price	RM450.00 per m^3
Total income receivable per year for 6 years	RM872.7 million

(Source: Valuation Report)

6. SOURCE OF FUNDING

The Purchase Consideration of Proposed Acquisitions will be funded by internal generated funds and/or bank borrowings, of which the proportion will be determined at the later stage.

7. LIABILITIES TO BE ASSUMED

Save for the liabilities incurred in the ordinary course of business, WBGB will not assume any liabilities (including contingent liabilities and guarantees) arising from the Proposed Acquisitions.

8. ESTIMATED ADDITIONAL FINANCIAL COMMITMENTS REQUIRED OF THE COMPANY IN PUTTING THE SUBJECT PROPERTIES ON-STREAM

Apart from the Total Purchase Consideration, the Company will be required to utlised approximately RM20 million to RM30 million to put the Subject Properties on-stream.

The financial commitment to put the Subject Properties on-stream will be funded by internal generated funds, bank borrowings and/or fund raising exercises.

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9. SALIENT FEATURES OF THE VALUATION REPORT

The Independent Valuer appraised the Subject Properties in its report dated 30 September 2011 using the combination of discounted cash flow method and comparison method of valuation.

In order to derive the market value of the Subject Properties, the Independent Valuer has valued the Subject Properties based on the followings:-

(i) The extractable timber within the Subject Properties

The Independent Valuer has adopted the discounted cash flow method of valuation to provide a means for determining the market value of the extractable and merchantable timber content within the Subject Properties.

(ii) Land approved with "Izin Lokasi" for oil palm plantation

The Independent Valuer has adopted the comparison method of valuation to arrive at the market value of the Subject Properties approved with "Izin Lokasi" for oil palm plantation. Under comparison method, an estimate of value is derived by comparing the property under valuation with other properties of similar size, quality and location that have been sold or listed for sale in recent times.

Having regard to all relevant information, the Independent Valuer opined that the market value of the Subject Properties as at 25 September 2011 is RM296.0 million made up as follows:-

	RM' million
Market value of extractable and merchantable timber on the Subject Properties	
197,684 acres @ RM1,150 per acre	227.0
Market Value of Subject Properties approved with "Izin Lokasi" for oil palm plantation	
197,684 acres @ RM350 per acre	69.0
Total	**296.0**

10. INFORMATION ON THE VENDORS

10.1 Adwir Boy

Adwir Boy, age 44, an Indonesian, is the Director and shareholder of SPL. As at 3 October 2011, he holds 100.0% equity interest in SPL.

10.2 Hafiz Arief

Hafiz Arief, age 52, an Indonesian, is the Director and shareholder of WPL. As at 3 October 2011, he holds 100.0% equity interest in WPL.

11. INFORMATION ON TKU AND MSM

11.1 TKU

TKU was incorporated in Indonesia on 15 February 2007 under the laws of the Republic of Indonesia as a private limited company. The authorised share capital of TKU is Rp 1,000,000,000 comprising 1,000,000 TKU Shares of which Rp 250,000,000 comprising 250,000 TKU Shares have been issued and fully paid-up. TKU has not commenced business operation since its incorporation, save for the procurement of the TKU Property and TKU Project.

11.1 MSM

MSM was incorporated in Indonesia on 15 February 2007 under the laws of the Republic of Indonesia as a private limited company. The authorised share capital of MSM is Rp 1,000,000,000 comprising 1,000,000 MSM Shares of which Rp 250,000,000 comprising 250,000 MSM Shares have been issued and fully paid-up. MSM has not commenced business operation since its incorporation, save for the procurement of the MSM Property and MSM Project.

12. RATIONALE FOR THE PROPOSED ACQUISITIONS

The Company and its subsidiaries' ("**Group**") last timber license have expired in 9 July 2010. In view of the loss of revenue from the timber division and the Board's intention to maintain its core business in timber extraction, the Proposed Acquisitions will provide an immediate and stable income stream for its core business and at the same time allow the Group to expand its business regionally. The Proposed Acquisitions will also present an opportunity for the Group to venture into oil palm cultivation business in the future, if the Group so decide to. The Board may at much later stage enter into joint venture alliance with an experienced oil palm plantation company to jointly develop part of the Subject Properties for oil palm cultivation purposes. The Proposed Acquisitions are expected to contribute positively to the future earnings of the Group.

13. PROSPECT OF THE PROPOSED ACQUISITIONS

Timber Industry

According to the International Tropical Timber Organization's ("**ITTO**") report, Malaysia's major log customers were all in Asia, with India accounting for over half of Malaysia's exports and China, Taiwan POC and Japan and the Republic of Korea accounting for 35% of the reported log export volume. China's growth is expected to remain strong at 9.6% and 9.5% over 2011-2012 with the drivers of growth shifting from public to private demand. Growth in India is expected to moderate but remain high, at 8.2% in 2011, mainly driven by investment in public infrastructure, although inflation pressure is expected to remain high. Expansion in the ASEAN-5 economies (Indonesia, Malaysia, the Philippines, Thailand and Vietnam) will be led by Indonesia in 2011-2012, with predictions of strong consumption and a recovery in investment. Japan's economic growth in 2010 was one of the fastest of the advanced economies, driven by fiscal stimulus and a rebound in exports.

(Source: ITTO's annual review and assessment of the world timber situation, 2010)

The Sarawak Timber Association (STA) says the market outlook for the state's timber sector looks better this year than it did last year with high demand seen particularly from emerging markets like Japan. The STA was quoted saying by Perkasa, the Sarawak Timber Industry Development Corporation (STIDC)'s quarterly newsletter released here, that the anticipated demand would boost supply although production had been reported low in January. The industry's upbeat mood is also due to the global economy picking up, particularly the United

States and Japan while Australia, which was hit by flood is poised to place new order to rebuild their premises.
(Source: New Sarawak Tribune, 27 May 2011)

Oil Palm Industry

Indonesia overtook Malaysia as the largest palm oil exporter in 2008 and currently holds over 50% of global market share. The industry is broadly split among private enterprises accounting for an estimated 48% of production, small hold farmers at 40% and state owned plantations at 12%. Some of the largest companies in the sector are Sinar Mas, Wilmar Group, Astra Agro Lestari and Indofood Agri Resources. Sumatra is the main production base with 70% of cultivation taking place on the island while other plantations are found in East and West Kalimantan. crude palm oil ("**CPO**") output has been rising steeply from 10 million metric tonnes ("**MET**") in 2005 to 20 million MET in 2010 and is targeted to reach 23 million MET in 2011 according to the Ministry of Agriculture.

Exports have been growing in line with such figures with an average of over 70% of total production reaching international markets, the main destinations being India and China followed by the Netherlands and Singapore. In order to meet future production targets of 40 million MET by 2020, the government plans to double the land currently under cultivation over the next 10 years from around 8 million hectares at the end of 2010. The government also plans to promote the differentiation of purpose for new production areas to delineate between CPO for foodstuffs and that for industry and energy. The plan also aims to consolidate smaller landholdings to improve efficiency among producers thereby increasing the production rate of existing land which currently stands at 3.89 tons/hectare compared to 4.37 tons/hectare in Malaysia (Oil World).

The outlook for Indonesia's CPO industry is positive considering the unstoppable global demand for the product and the country's increasing capacity. Addressing issues regarding sustainability in production and the introduction of a certification is vital to the long term dominance of Indonesian exports over rival Malaysia as importing countries from around the world become more stringent in their regulations on producers. The challenge that lays ahead for the industry is a common theme for the country that of moving up the value added chain through expansion of the downstream industry which will require significant investment as well as improving productivity.

(Source: Valuation Report)

As attested by the Board, the timber extraction will continue to be the core business of the Group. Hence, the Group will continue to seek new timber concession licenses to be acquired in order to expand its timber extraction business.

Based on the above, the Board is of the view that the prospects of the Group going forward would be positive should the Proposed Acquisitions materialise.

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14. RISK FACTORS

The Proposed Acquisitions are subject to certain risk inherent in the timber industry, which include, but are not limited to the volatility of selling prices, shortage in labour supply, adverse weather conditions affecting logging, changes in general, social, economic and business conditions and negative publicity from non-governmental organisations concerned with the effect of the timber industry.

Apart from the risk inherent in the timber industry, the Proposed Acquisitions also subject to, inter alia, the following risks:-

(i) Completion risk

The completion of the Proposed Acquisitions may be subject to some external factors and risks, such as; failure to obtain Letter of Approval. This must be weighed against the fact that the Primary Approvals have already been issued and approvals in principle leading up to the issuance of the Letter of Approval and subsequently the SKHGU and SHGU are already in hand from the relevant authorities. Other than warranties given, there is a level of uncertainty as to whether the approvals that are outstanding will be granted in a timely manner. As a result, there is some level of uncertainty as to whether the Company will be able to generate sufficient revenue from the Proposed Acquisitions to offset the associated costs at the inception of the projects.

(ii) Risk relating to the non-issuance of SKHGU and SHGU

The issuance of SKHGU and subsequently the SHGU is within the purview of Land Authority of Indonesia and the requirement imposed by them or other relevant authorities of Indonesia. Given that the approvals-in-principle for the cultivation of oil palm have already been obtained TKU and MSM will be required to satisfy all pre-condition or requirements imposed by the Land National Authorities of Indonesia or other relevant authorities of Indonesia before the SKHGU and SHGU can be issued.

The non-issuance of SKHGU and SHGU will necessarily result in the inability on the part of TKU and MSM to cultivate oil palm on the affected lands. As a result, SPL and WPL may not have the benefit of exercising their discretionary rights to cultivate oil palm on the affected areas. It is pertinent to note that the non-issuance of the SKHGU and SHGU does not affect rights to extract timber over the lands.

(iii) Political, economic and regulatory considerations

With the participation of the Company in the SPL JVA and WPL JVA via the Acquiree Companies, its business, prospect, financial condition and level of profitability are now subject, to a certain extent, the developments in the economic, political and regulatory environment of Indonesia and Singapore. Such risks include, amongst others, changes in political leadership, expropriation, nationalisation, risks of war, economic uncertainties, adverse changes in tax laws and foreign exchange regulations. There can be no assurance that any adverse developments in political, economic and regulatory environment in Indonesia and Singapore will not have a material adverse effect on the business operation and financial performance of the Group.

(iv) Foreign exchange risk

The Group is exposed to fluctuation between Rp and SGD. The financial statements of TKU and MSM, and Acquiree Companies are prepared in Rp and SGD respectively and the financial statements of the Group are prepared in RM. As a result, the Group would be exposed to foreign exchange translation risk. There can be no assurance that the future foreign exchange fluctuations will not have a material and/or adverse effect on the financial performance of the Group.

As the Proposed Acquisitions provide an opportunity to the Group to venture into oil palm development in the future, if they so decide to, hence, the Proposed Acquisitions are also subject to, inter-alia, the investment risks.

The development of oil palm is a new business/industry to the Group. Hence, there is no assurance that the Proposed Acquisitions will enable the Group to maintain or improve its financial performance.

There is also no assurance that the anticipated benefits from the Proposed Acquisitions will be realised or that the Group would be able to recoup its investment or the period it will take recoup its investments incurred, for the purpose of venturing into oil palm plantation. The Group will seek to mitigate such risk by adopting strategic alliances by entering into a joint-venture with an experienced oil palm plantation company to jointly develop part of the Subject Properties for oil palm cultivation purposes. Nevertheless, the Company may choose to divest their investments in SPL and WPL after the completion of the TKU Project A and MSM Project A.

15. EFFECTS OF THE PROPOSED ACQUISITIONS

15.1 Share Capital and Substantial Shareholders' Shareholdings

As the Proposed Acquisitions will be satisfied wholly in cash, it will not have any effect on the issued and paid-up share capital as well as the substantial shareholders' shareholdings in WBGB.

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15.2 NA and Gearing

Based on the latest audited consolidated financial statements of WBGB for FYE 31 December 2010, the proforma effects of the Proposed Acquisitions on the consolidated NA and gearing of WBGB are shown below:-

	Audited FYE 31 December 2010 RM('000)	**After the Proposed Acquisitions RM('000)**
Share capital	276,846	(3) 280,245
Share premium	225	(3) 495
Treasury shares	(155)	(155)
Irredeemable Convertible Unsecured Loan Stocks ("**ICULS**") - equity component	85,165	(3) 81,814
Reserves	(101,478)	(1) (113,924)
Shareholders' equity / NA	**260,603**	**248,475**
Minority interests	-	28,356
	260,603	**276,831**
No. of shares in issue ('000)	276,846	(3) 280,245
NA per share (RM)	0.94	0.89
Borrowings (interest-bearing)	10,917	(2) (3) 214,649
Gearings (times)	0.04	0.86

Notes: -

(1) After deducting estimated expenses for the Proposed Acquisitions of approximately RM4.28 million and interest cost of approximately USD2.56 million or RM8.166 million per annum (at the exchange rate of USD1:RM3.19, as at 30 September 2011) to be incurred based on the assumed borrowing of RM204.16 million for the Proposed Acquisitions.

(2) Assuming 80% of the total purchase consideration (i.e: USD64 million or approximately RM204.16 million at the exchange rate of USD1:RM3.19, as at 30 September 2011) will be funded by bank borrowing.

(3) Adjusted for the effect of conversion of 4,248,650 ICULS into 3,398,920 ordinary shares of RM1.00 in WBGB during the year 2011 (up to 30 September 2011).

15.3 Earnings

The Proposed Acquisitions would not have any material effect on the consolidated earnings of WBGB for the financial year ending 31 December 2011. However, the Proposed Acquisitions are expected to contribute positively to the future earnings of the Group from the timber extraction and, as and when the areas within the Subject Properties are developed into oil palm estates and reach maturity.

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16. APPROVALS REQUIRED

The Proposed Acquisitions, where WBGB is concerned, are subject to and conditional upon the following:-

(a) approval of the shareholders of WBGB, at an extraordinary general meeting ("**EGM**") to be convened for the Proposed Acquisitions;

(b) approval from the Ministry of Forestry of the Republic of Indonesia to obtain the Letter of Approval for the Subject Properties; and

(b) approvals from any other relevant authorities/parties, if required.

The Proposed SPL Acquisition and the Proposed WPL Acquisition are inter-conditional upon each other.

17. POLICIES ON FOREIGN INVESTMENTS AND REPATRIATION OF PROFITS

Indonesia

Direct foreign investments in Indonesia are governed by Law No. 25 of 2007 regarding Investments ("Law No. 25/2007") and its implementing regulations. All matters relating to direct investments are under the supervision of Investment Coordinating Board (Badan Koordinasi Penanaman Modal - BKPM). BKPM has issued implementing regulations for the Investment Law pertaining to guidelines and procedures for filing applications for foreign investment and the approval of foreign investment, which is currently stipulated under BKPM Regulation No. 12 of 2009 on Guidelines and Procedures of Investment Applications.

An important feature of the Investment Law is the Indonesian Government's guarantee that it will not nationalise a foreign investment or revoke rights to control a foreign investment, except where it is declared by law. If the Government nationalises or revokes the foreign investment, it must pay compensation in an amount determined in accordance with the market price of the investment. This guarantee is accompanied by assurances that the foreign investor will have the right to transfer and repatriate in foreign currency, profit, bank interest, dividend and other incomes.

Except for certain sectors specifically determined by Presidential Regulation No. 36 of 2010 on the List of Closed Business Sectors and Business Sectors that are Open with Requirements in the Capital Investment Field ("Presidential Regulation No. 36 of 2010"), most business sectors are open for foreign direct investment with certain limitations.

No restrictions apply on profit remittances or repatriation from Indonesia but payments must meet all reporting requirements. As per "The Economist Intelligence Unit Limited 2011" report on Indonesia, companies operating in Indonesia report no difficulties in remitting profits. Earnings on approved investments are freely transferable in the currency of the original investment, converted at the exchange rate at the time of transfer. Rupiah is not allowed to be transferred outside Indonesia. For recording purposes, the remitting company must submit a report of the transfer to Bank Indonesia for each remittance exceeding USD100,000 (or remittance in other currencies equivalent to USD100,000).

However, profit remittances or repatriation rights do not prejudice the Indonesian Government's rights to require reports on the implementation of repatriation activities and compliance with related taxation/royalties regulations. In addition, the repatriation rights do not give protection from creditors.

Further, Law No. 25/2007 provides that if there is any unsettled legal liability by the investor, the state investigator (penyidik) or the Minister of Finance may request banks or other financial institutions to suspend the repatriation activity and the court has the right to issue an injunction against the repatriation.

Singapore

There is generally no restriction in Singapore on the acquisition of shares of companies by foreign interest.

Singapore imposes income tax on a modified territorial basis, i.e. on income which is either accrued or derived in Singapore or which is received (or deemed received) in Singapore from outside Singapore. However, foreign-source dividends, branch profits and services income received on or after 1 June 2003 by Singapore tax resident company will be tax exempt in Singapore, provided that certain prescribed conditions are met.

Currently, Singapore does not have foreign exchange controls. There is no withholding tax on dividends paid by Singapore resident companies to all (including non Singapore tax resident) shareholders.

Singapore adopts a liberal approach towards foreign investment. There are no restrictions or prohibitions that would in the ordinary circumstances prevent the repatriation of profits by SPL or WPL to any foreign investors. There are also no restrictions as to the time frame in which any profits are to be repatriated.

18. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders of the Company as well as persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisitions.

19. DIRECTORS' STATEMENT

The Board, having taken into consideration all aspects of the Proposed Acquisitions (including but not limited to the rationale, prospects and financial effects), is of the opinion that the Proposed Acquisitions are in the best and long-term interest of the WBGB Group.

20. ESTIMATED TIME FRAME FOR COMPLETION

The Proposed Acquisitions are expected to be completed by 1st quarter of 2012.

21. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisitions pursuant to Paragraph 10.02 (g) of the Main Market Listing Requirements of Bursa Securities is 98.0% which is computed by dividing the aggregate value of the consideration given in relation to the transaction with the audited NA of the WBGB Group as at 31 December 2010.

22. ADVISER

AmInvestment Bank has been appointed as Adviser to WBGB for the Proposed Acquisitions.

23. APPLICATION TO THE RELEVANT AUTHORITIES

Application to the relevant authorities for the Proposed Acquisitions, if any, are expected to be submitted within three (3) months from the date of this Announcement.

24. DOCUMENTS FOR INSPECTION

The following documents are available for inspection during normal business hours from Mondays to Fridays (Except public holidays) during business hours from 9.00 a.m. to 5.00 p.m. at the registered office of WBGB at No.2D, Jalan SS 6/6, Kelana Jaya, 47301, Petaling Jaya, Selangor Darul Ehsan for a period of three (3) months from the date of this announcement:-

(i) SPL SSA and WPL SSA;

(ii) Valuation Report;

(iii) SPL JVA;

(iv) SPL Projects PA;

(v) SPL Shares PA;

(vi) WPL JVA;

(vii) WPL Projects PA;

(viii) WPL Shares PA; and

(ix) Forest Assessment Report.

This announcement is dated 3 October 2011.

SALIENT TERMS OF THE SPL JVA

The salient terms of the SPL JVA include, *inter-alia*, the following:-

1. Financial interests and contributions

(i) Provided there is no breach of TKU's obligations under the terms of the SPL JVA and in consideration of the grant by of the powers of attorney and all rights in TKU, the TKU Property and the TKU Project ("**TKU Powers of Attorney**"), SPL shall be responsible to meet all capital expenses directly related to the implementation and undertaking of the Project which shall be jointly identified and agreed to in priority by the Parties in writing and signed off as a funding requirement for the purposes of the SPL JVA ("**SPL Funding Requirements**") and TKU with respect to the TKU Project by way of bank borrowings or otherwise ("**SPL's Contribution**").

(ii) SPL's Contribution shall be by way of an advance by SPL to the SPL JVA and/or TKU and shall be repaid in priority over all unsecured debts of the SPL JVA and/or TKU. Neither the SPL JVA nor TKU shall declare any profits or dividends until and unless SPL's Contribution is repaid in full.

(iii) TKU shall grant and procure the grant of the TKU Powers Of Attorney to SPL as security for SPL agreeing to meet all SPL Funding Requirements of the SPL JVA and TKU with respect to the TKU Projects by meeting its obligations with respect to the SPL's Contribution.

(iv) On execution of the SPL JVA the respective financial interests of the Parties in the SPL Joint Venture shall be:

- TKU 10%
- SPL 90%

(collectively known as "**TKU Financial Interests**")

and except insofar as the contrary is expressly provided in the SPL JVA, all rights, interests, profits, liabilities, obligations, risks and losses arising out of the TKU Project and/or the SPL JVA shall be shared or borne by the SPL and TKU in proportion to the TKU Financial Interests. For the avoidance of ambiguity, SPL's Financial Interests in the SPL JVA shall at all times be 90% from execution of the SPL JVA notwithstanding the payment of SPL's Contribution.

2. Specific rights and obligation of the parties

SPL, inter-alia, shall:-

(i) be exclusively entitled and will undertake and implement all activities pertaining to TKU Project A in the manner it deems fit and expedient immediately upon issuance of the Letter of Approval which TKU has warranted shall be obtained on or before the end December 2011 or such other mutually extended date which shall not be later than end March 2012;

(ii) be entitled to elect at its sole discretion to undertake and implement all activities pertaining to TKU Project B upon issuance of all the TKU Secondary Approvals and satisfaction of all other applicable conditions. SPL may in its discretion undertake and implement TKU Project B with third parties identified by it through sub-contracts, joint ventures or other suitable arrangements

(iii) be solely responsible for all financial, management and operational matters of TKU and all financial, management and operational matters pertaining to the TKU Property and the TKU Projects; and

(iv) be solely authorised to receive and retain all revenue derived from the operations of TKU, the use of the TKU Property and the TKU Projects for the account of the SPL JVA and to meet all expenses of the SPL JVA pertaining to the TKU Property and the TKU Projects from revenue and the SPL's Contribution (whichever is applicable).

TKU, inter-alia, shall:-

(i) ensure that the TKU Primary Approvals remain valid and enforceable;

(ii) ensure to the best of its ability that the Letter of Approval is obtained on or before the end December 2011 or such other mutually extended date which shall not be later than end March 2012;

(iii) ensure to the best of its ability that the TKU HGU and the TKU SHGU are issued approximately two (2) years from the commencement of TKU Project A;

(iv) ensure that all relevant consents, permits, licenses applicable for the purposes of undertaking works with respect to the TKU Project have been lawfully applied for and obtained and remain in force ;

(v) ensure that the powers of attorney granted to SPL are valid and enforceable at all times and has the effect of giving SPL the lawful authority to act as TKU's attorney and on behalf of the SPL JVA on the terms and conditions therein contained;

(vi) immediately after receipt of due notification from SPL or otherwise, apply, procure and obtain such other relevant approvals, right-of-way, permits, approval, licenses and consents from the relevant authorities of Indonesia as may be required for the proper and efficient implementation of the TKU Projects;

(vii) generally do all acts and things necessary to ensure that the legal and beneficial rights in the TKU Property and the TKU Projects is not revoked, terminated and/or in any way invalidated;

(viii) be responsible for and settle all issues relating to local public relation and security matters and in this context, TKU shall indemnify the SPL JVA and/or SPL for and against any consequential losses or damages arising there from;

(ix) be responsible to secure any other licenses, permits, or take any other actions deemed necessary in order to ensure the smooth operation of the TKU Projects with the express prior written approval of SPL; and

(x) allow SPL to have full financial, management and operational rights over the affairs of TKU.

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SALIENT TERMS OF THE WPL JVA

The salient terms of the WPL JVA include, *inter-alia*, the following:-

1. Financial interests and contributions

(i) Provided there is no breach of MSM's obligations under the terms of the WPL JVA and in consideration of the grant by of the powers of attorney and all rights in MSM, the MSM Property and the MSM Project ("**MSM Powers of Attorney**"), WPL shall be responsible to meet all capital expenses directly related to the implementation and undertaking of the Project which shall be jointly identified and agreed to in priority by the Parties in writing and signed off as a funding requirement for the purposes of the MSM JVA ("**WPL Funding Requirements**") and MSM with respect to the MSM Project by way of bank borrowings or otherwise ("**WPL's Contribution**").

(ii) WPL's Contribution shall be by way of an advance by WPL to the WPL JVA and/or MSM and shall be repaid in priority over all unsecured debts of the WPL JVA and/or MSM. Neither the WPL JVA nor MSM shall declare any profits or dividends until and unless WPL's Contribution is repaid in full.

(iii) MSM shall grant and procure the grant of the MSM Powers Of Attorney to WPL as security for WPL agreeing to meet all WPL Funding Requirements of the WPL JVA and MSM with respect to the MSM Projects by meeting its obligations with respect to the WPL's Contribution.

(iii) On execution of the WPL JVA the respective financial interests of the Parties in the WPL Joint Venture shall be:-

- MSM 10%
- WPL 90%

(collectively known as "**MSM Financial Interests**")

and except insofar as the contrary is expressly provided in the WPL JVA, all rights, interests, profits, liabilities, obligations, risks and losses arising out of the MSM Project and/or the WPL JVA shall be shared or borne by the WPL and MSM in proportion to the MSM Financial Interests. For the avoidance of ambiguity, WPL's Financial Interests in the WPL JVA shall at all times be 90% from execution of the WPL JVA notwithstanding the payment of WPL's Contribution.

2. Specific rights and obligation of the parties

WPL, inter-alia, shall:-

(i) be exclusively entitled and will undertake and implement all activities pertaining to MSM Project A in the manner it deems fit and expedient immediately upon issuance of the Letter of Approval which MSM has warranted shall be obtained on or before the end of March 2012;

(ii) be entitled to elect at its sole discretion to undertake and implement all activities pertaining to MSM Project B upon issuance of all the MSM Secondary Approvals and satisfaction of all other applicable conditions. WPL may in its discretion undertake and implement MSM Project B with third parties identified by it through sub-contracts, joint ventures or other suitable arrangements

(iii) be solely responsible for all financial, management and operational matters of MSM and all financial, management and operational matters pertaining to the MSM Property and the MSM Projects; and

(iv) be solely authorised to receive and retain all revenue derived from the operations of MSM, the use and ownership of the MSM Property and the MSM Project for the account of the WPL JVA and to meet all expenses of the WPL JVA pertaining to the MSM Property and the MSM Project from revenue and the WPL Contribution (whichever is applicable).

MSM, inter-alia, shall:-

(i) ensure that the MSM Primary Approvals remain valid and enforceable;

(ii) ensure to the best of its ability that the Letter of Approval is issued on or before end of March 2012;

(iii) ensure to the best of its ability that the MSM HGU and the MSM SHGU are issued approximately two (2) years from the commencement of MSM Project A;

(iv) ensure that all relevant consents, permits, licenses applicable for the purposes of undertaking works with respect to the MSM Project have been lawfully applied for and obtained and remain in force ;

(v) ensure that the powers of attorney granted to WPL are valid and enforceable at all times and has the effect of giving WPL the lawful authority to act as MSM's attorney and on behalf of the WPL JVA on the terms and conditions therein contained;

(vi) immediately after receipt of due notification from WPL or otherwise, apply, procure and obtain such other relevant approvals, right-of-way, permits, approval, licenses and consents from the relevant authorities of Indonesia as may be required for the proper and efficient implementation of the MSM Project;

(vii) generally do all acts and things necessary to ensure that the legal and beneficial rights in the MSM Property and the MSM Project is not revoked, terminated and/or in any way invalidated;

(viii) be responsible for and settle all issues relating to local public relation and security matters and in this context, MSM shall indemnify the WPL JVA and/or WPL for and against any consequential losses or damages arising there from;

(ix) be responsible to secure any other licenses, permits, or take any other actions deemed necessary in order to ensure the smooth operation of the MSM Project with the express prior written approval of WPL; and

(x) allow WPL to have full financial, management and operational rights over the affairs of MSM.

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