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23 February 2009

INVITATION TO HOLDERS OF OLAM INTERNATIONAL LIMITED (THE "COMPANY" OR "OLAM") US\$300,000,000 1 PER CENT. CONVERTIBLE BONDS DUE 2013 TO OFFER FOR EXCHANGE EXISTING CONVERTIBLE BONDS FOR NEW CONVERTIBLE BONDS OF THE COMPANY

On 16 February 2009, the Company announced that it intended to invite the remaining holders ("**Bondholders**") of the US\$300,000,000 1 per cent. Convertible Bonds due 2013 issued by the Company on 3 July 2008 (the "**Existing Bonds**") to offer to exchange (the "**Exchange Offer**") their outstanding Existing Bonds for new U.S. dollar-denominated 1.2821 per cent. Convertible Bonds due 2013 of the Company (the "**New Bonds**") convertible into new ordinary shares (the "**New Shares**") in the capital of the Company. Terms used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them in the Company's announcement on 16 February 2009.

The period for Bondholders to offer to exchange their Existing Bonds for the New Bonds (the "**Exchange Offer Period**") has expired.

Following the close of the Exchange Offer Period and based on a reconciliation of Exchange Applications validly received by J.P. Morgan (S.E.A.) Limited as exchange agent and the Electronic Exchange Confirmations validly received by the relevant Clearing Systems, the Company wishes to announce the following in respect of the Exchange Offer:

- (a) The aggregate principal amount of Existing Bonds accepted by the Company for exchange is US\$136,000,000;
- (b) The aggregate principal amount of New Bonds to be issued by the Company in exchange for the Existing Bonds is US\$106,080,000; and
- (c) The aggregate principal amount of Existing Bonds remaining outstanding after this Exchange Offer is expected to be US\$40,400,000.

Settlement for the Exchange Offer is expected to take place on 2 March 2009, subject to the right of the Company to extend, re-open, amend and/or terminate the Exchange Offer and the receipt of an approval from the Singapore Exchange Securities Trading Limited for the listing of the New Shares.

Subject to settlement taking place on 2 March 2009, the Company envisages making an announcement no later than 8:00 a.m. (Singapore time) on 5 March 2009 stating, *inter alia*, that settlement has taken place and the total aggregate principal amount of New Bonds issued by the Company for the Existing Bonds accepted for exchange pursuant to the Exchange Offer.

As earlier announced, the Company is committed to a continuous and pro-active approach to its balance sheet management which takes into account both the challenges and the opportunities associated with the new market conditions.

The Company's stated strategy is to consolidate its position through both organic and inorganic growth in a disciplined approach.

Keeping this in mind, the Company made this Exchange Offer with the following objectives:

- to benefit from an immediate reduction in leverage ratios. Based on an aggregate principal amount of US\$136,000,000 Existing Bonds accepted by the Company for exchange, the Company's Net Debt to Equity ratio of 2.51 (before fair value adjustments) for the second financial quarter ended 31 December 2008 (as illustrated in page 48 of the presentation entitled "Second Quarter & First Half FY2009 Results Briefing" disseminated by the Company on SGXNET on 12 February 2009) would have been reduced to 2.35 had the issuance of the New Bonds taken place on 31 December 2008*;
- to offer Holders the ability to convert into Shares at S\$1.656 (a conversion premium of 20% to S\$1.38, the closing price of the Company's shares on 13 February, 2009);
- to reduce potential refinancing obligations and preserve cash by reducing the conversion price of the Existing Bonds;
- to achieve a marginal reduction in put and redemption considerations if the New Bonds do not convert. Based on an aggregate principal amount of US\$136,000,000 Existing Bonds accepted by the Company for exchange, the put and redemption consideration will be reduced by more than S\$2.0 million*; and
- to recognise a gain by retiring debt below par if the Exchange Offer proceeds. Based on an aggregate principal amount of US\$136,000,000 Existing Bonds accepted by the Company for exchange, the Company would recognise an upfront gain of approximately S\$45.08 million (before transaction expenses)*.

Olam's Group Managing Director and CEO Sunny Verghese said: "We are very pleased with the results of the Exchange Offer given the very high take up rate with 77 per cent of Holders of the Existing Bonds participating in this Exchange Offer. We are pleased that the Exchange Offer, the first of its kind in Asia, has met all the above objectives."

Further details on the financial effects of the Exchange Offer will be disclosed in a subsequent announcement to be released by the Company.

By Order of the Board

Sunny George Verghese
Group Managing Director and CEO

* The figures set out herein are based on the assumptions that (a) settlement takes place on the terms of the Exchange Offer and (b) the aggregate principal amount of Existing Bonds accepted by the Company for exchange is US\$136,000,000.

This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The New Bonds mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**").

The New Bonds may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

The Exchange Offer is subject to offer and distribution restrictions in, among other countries, the United States, Italy, United Kingdom, Belgium, France, Hong Kong and Singapore.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.