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NEWS RELEASE

OLAM INTERNATIONAL REPORTS THAT THE RECENT PURCHASES OF RIVER WATER RIGHTS BY THE FEDERAL GOVERNMENT OF AUSTRALIA, WILL NOT HAVE MATERIAL ADVERSE IMPACT ON ITS EARNINGS

Singapore, May 30, 2009 – Olam International Limited (“**Olam**” or the “**Group**”), a leading global, integrated supply chain manager of agricultural products and food ingredients, today reported that the Federal Government in Australia (“**Federal Government**”) has settled a transaction on May 28, 2009, to purchase 240 gigalitres of water from Twynam Pastoral Company (“**Twynam**”) (the “**Acquisition**”). This water represents virtually all of Twynam’s surface water entitlements across the Gwydir, Macquarie, Lachlan, Barwon-Darling and Murrumbidgee rivers. It is the single largest re-purchase of water rights by the Federal Government. By selling these entitlements, Twynam could be signaling the prospects of reduction or elimination of their cotton production in the future.

Olam’s wholly-owned subsidiary, Queensland Cotton, had previously acquired Twynam’s Collymongle gin (in the Gwydir valley) and Warren gin (in the Macquarie valley). Under the acquisition terms, Queensland cotton had the exclusive rights to gin Twynam’s upland cotton crop grown in the respective ginning zones until 2012.

Both gins process Twynam’s cotton and also obtain some volume from other growers. The Warren gin is likely to remain viable even on the basis of non-Twynam volumes, while the Collymongle gin, however, might not be able to secure the requisite throughput to run its plant without the Twynam volume.

The Group is still assessing the likely impact of this action on the Australian cotton operations. The following options are available to mitigate any adverse material impact:

- A) The possibility to transfer the plant and equipment from an unviable area (or gin) to a more attractive location with better crop prospects.
- B) Use the residual sheds and infrastructure as a base for the Group’s grains accumulation business. The current ginning site is very well located in one of Australia’s principal wheat growing areas, and could offer approximately 15,000 tonnes of grain storage with excellent receiving capabilities.



- C) Analyze Queensland Cotton's original purchase agreement with Twynam to determine the Group's legal options vis-à-vis the vendor.
- D) Explore the possibility of approaching the Federal Government to seek remedial action on account of the sudden and adverse impact of their actions on the Group's business.

It is pertinent to point out that the State Government, having ultimate control over water, has since then declared a moratorium on further purchases of water in NSW.

Mr. Jagdish Parihar, Managing Director and Global Head of Olam's Cotton business said *"Given Olam's volumes of cotton across its global operations, reduction in these volumes from Australia is not significant and will not materially affect the future prospects of our Cotton business. It is also pertinent to point out here that Australian cotton crop has improved from a record low in 2008, to an estimated 1.2 million bales in 2009 and is forecasted to reach 2.0 million bales in 2010. In spite of this setback on the Twynam volume, our Australian Cotton business will remain well positioned to benefit from the expected overall crop revival. More importantly, Olam's global Cotton business has performed well, despite the recessionary situation, and we are steadily growing our market share. Our strong cotton footprint in Africa, Asia and America gives us the flexibility to increase volumes and maintain overall profitability, even if the Australian volumes get adversely impacted"*.

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About Olam International Limited

Olam is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 20 products with a direct presence in 60 countries and supplying them to over 6,500 customers. With direct sourcing and processing in most major producing countries for its various products, Olam has built a global leadership position in many of its businesses, including cocoa, coffee, cashew, sesame, rice, cotton and wood products. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 40 largest listed companies in Singapore in terms of market capitalisation and is a component stock in the Straits Times Index (STI), MSCI Singapore Free, S&P Agribusiness Index and the DAXglobal Agribusiness Index. More information on Olam can be found at www.olamonline.com.



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