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NEWS RELEASE

OLAM INTERNATIONAL ANNOUNCES JOINT VENTURE WITH REPUBLIC OF GABON TO SET UP A PORT-BASED AMMONIA-UREA FERTILISER COMPLEX IN GABON FOR A TOTAL INVESTMENT OF US$1.3B

Singapore, November 13, 2010 – Olam International Limited ("Olam" or "the Company"), a leading global, integrated supply chain manager and processor of agricultural products and food ingredients, today announced that the Company has entered into a 80/20 joint venture agreement ('**JV**') with the government of the Republic of Gabon ('**RoG**') to construct a port-based ammonia-urea fertiliser complex in Gabon for a total investment of US$1.3 billion.

Concurrently, Olam has signed a 25-year competitive natural gas fixed-price contract with RoG to secure a guaranteed quantity and quality of gas as feedstock for the urea plant.

In addition, the partnership agreement between Olam and RoG contains the following key conditions: 1) RoG will have sufficient skin-in-the-game by investing in 20% of the equity of the JV, while Olam invests in the remaining 80%. RoG will also guarantee its proportion of debt; and 2) The JV will be granted a 10-year tax holiday after the plant starts commercial production followed by a 10% concessional tax rate thereafter. In addition, the project will enjoy zero customs duty and VAT for the lifetime of the project.

The President of Gabon, His Excellency Ali Bongo Ondimba, who was in Singapore on a State visit said: "We are excited about the prospects of partnering Olam, one of the world's leading agri-commodity companies, to build one of the most competitive fertiliser businesses in the world in Gabon. Our country is an attractive location for foreign investments in industries beyond the traditional Oil & Gas sector and we welcome Olam investing jointly with us to add value in Gabon to our natural resources and help achieve our country's full economic potential."

Responding to the Gabonese President's comments, Olam's Group Managing Director and CEO Sunny Verghese said: "One of the key strategic thrusts in our corporate strategic plan announced in August 2009 was to build on our latent assets and capabilities to enter into adjacent new businesses. As announced, we had identified fertiliser manufacturing and distribution as a new area for expansion, leveraging the strong relationships we have built with growers and farmers in the producing countries coupled with our own direct investments in upstream plantations and farming assets in Africa and other parts of the world.

"We believe that Africa, and Gabon in particular, offer the best prospects to set up a urea manufacturing facility due to long term availability of natural gas at competitive prices and access to key end-user markets. We have found Gabon to be the ideal location for putting up a new urea plant mainly because Gabon has one of the lowest cost natural gas reserves in the world, offers a strategic port-based location, and has a stable government with pro-business policies," he added.

The complex is targeted to commence operations by the first half of 2014 and run at a full capacity of 2,200 metric tonnes of ammonia and 3,850 metric tonnes of urea per day by FY2015, producing a total of 1.3 million metric tonnes of urea per annum.

Investment Rationale

Fertiliser is a key yield lever to address the increasing global agricultural demand-supply imbalance

Key industry trends in the agri-commodity sector indicate an increasing global demand-supply imbalance going forward. This trend is driven by rapidly increasing **demand** for agricultural commodities due to i) **rising population**, ii) **increasing food consumption** (with higher disposable incomes), iii) **shift in dietary habits to a more protein and fats-based diet that requires more feed grains**, and iv) **growing use of biofuels**, a new source of demand for agricultural raw materials. The **supply side** is constrained by i) **decreasing arable land**, ii) **impact of urbanisation** on arable land availability; iii) **shortage of water resources,** iv) **impact of climate change on crop production**; v) **logistics and infrastructure constraints**; and vi) **environmental constraints**. Fertiliser will be a key yield lever to alleviate this global agri demand-supply imbalance. Urea demand in particular is expected to grow at a CAGR of 3% going forward.

Strong linkages with Olam's current businesses

The Fertiliser business has strong linkages with Olam's core business. Olam is a focused agri-business company with a well balanced and diversified portfolio of 20 agricultural commodities. The Company has over 1.5 million direct grower relationships and privileged access to large state owned commodity boards that directly source fertilisers for onward supply to their grower base. Olam also has existing physical presence in critical fertiliser end-markets including the US, Latin America, West Africa and India which would be key markets for the proposed urea project. Participation in fertilisers will also cater to the Company's captive in-house demand from its growing participation in upstream plantation and farming businesses.

Clear potential for sizeable, excess returns and sustained competitive advantage

The key determinants of profitability for urea are access to i) **low-cost natural gas** (main feedstock), ii) **economies of scale**, iii) **favourable plant location** for logistics cost efficiencies and iv) **ease of market access**. This proposed urea project in Gabon scores favourably on all the above key success factors.

Through this partnership with RoG, Olam will be able to access guaranteed long term supply of low-cost natural gas and operate a large scale production facility, leading to economies of scale. A favourable port location granted by Gabon for building the urea complex reduces freight costs and provides the flexibility to readily ship either ammonia or urea based on market dynamics. Gabon's relative proximity, compared to the other main urea exporters to key markets (mainly US, Brazil and West Africa) also contributes to lower freight costs. The urea complex will benefit from these advantages to become one of the lowest cost production facility for urea globally, ensuring sizeable excess returns with a significant margin of safety.

The size-of-the-prize for this project is attractive and highly value accretive, with steady state EBITDA forecast to range between US$300 million and US$350 million, with expected EBITDA margins of over 70%, net profit margins in excess of 50%, equity IRR above 30% and with ROE estimated to be above 45%.

Financing

The investment will be financed on a Debt/Equity ratio of 65:35. The debt portion estimated at US$845 million is expected to be entirely funded through non-recourse debt financing at competitive terms. Olam's share of the equity investment (80% of total equity) is estimated to be US$364 million, to be phased across the three-year development and construction period. Olam has options to either self-fund its portion of equity or partly sell down the investment through a partial sale to strategic or financial investors.

Risks and Mitigating factors

The risks to these financial returns have been clearly identified and the Company has developed plans to address them. Olam has more than a decade of experience on the ground in Gabon and a strong working relationship with the host government there. In accordance to Olam's usual practice for large projects, Olam will seek protection through Political and Sovereign Risk Insurance (PRI) in the London insurance market and in addition, will also seek a Multilateral Investment Guarantee Agency (MIGA) risk insurance to manage country risk exposure.

Execution risks will be managed by selecting proven and time-tested ammonia and urea manufacturing technologies and engaging leading EPC contractors for turnkey construction. In addition, the Company has already assembled a highly qualified team of fertiliser experts with more than 100 years of combined execution experience. Marketing off-take risks are expected to be limited as several potential companies have already expressed interest and more are expected to follow as the project progresses and production comes onstream.

This investment is subject to certain closing conditions including shareholder approval if required and securing financial closing on acceptable terms.

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Note:

This release should be read and understood only in conjunction with the Olam International Limited's presentation slides on the same subject lodged on SGXNET on November 13, 2010.

About Olam International Limited

Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, sourcing 20 products with a direct presence in 64 countries and supplying them to over 11,100 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. Olam is the only Singapore firm to be named in the 2009 and 2010 Forbes Asia Fabulous 50, an annual list of 50 big-cap and most profitable firms in the region. It is also the first and only Singapore company to be named in the 2009 lists for the Global Top Companies for Leaders and the Top Companies for Leaders in the Asia Pacific region by Hewitt Associates, the RBL Group and Fortune. More information on Olam can be found at www.olamonline.com.

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