



PRESS RELEASE

OLAM INTERNATIONAL'S SUBSIDIARY CIB AND REPUBLIC OF CONGO ANNOUNCE A PIONEERING REDD+ INITIATIVE TO REALISE VALUE FROM STANDING FORESTS

25 May 2012, Brazzaville, Republic of Congo: Olam International's subsidiary CIB (Congolaise Industrielle des Bois) and the Government of the Republic of Congo (Brazzaville) announce a new Public Private Partnership (PPP) that aims to create a viable commercial framework to realise value from standing forests under the REDD+ scheme in its Pikounda Nord concession. This pioneering pilot is the first commercial deployment of the REDD+ (short for *Reducing Emissions from Deforestation and Forest Degradation*) option for sustainable forest management in the Congo Basin.

Olam International Ltd. acquired forestry company CIB in January 2011. CIB manages 1.4 million hectares of concessions in the Republic of Congo (R.O.C.) of which 1.3 million hectares are Forestry Stewardship Council™ (FSC™) certified – to date the largest contiguous FSC™ certified tropical forest concessions in the world. The Pikounda Nord concession which comprises the remaining 92,530 hectares is located in the Sangha region in the heart of the Congo River Basin.

The objective of this pilot initiative is to generate alternative revenues from sustainably managed forest landscapes by valuing the forest as a carbon sink and to originate carbon credits for the pre-compliance Voluntary Carbon market. This market is considered best practice and recognised by the global carbon community as able to generate solid and marketable credits.

CIB has initiated a robust consultation process that adheres to the principles of the Free & Prior Informed Consent (FPIC) methodology for this project. In addition, with the continual community engagement across the broader concession area for many years, a good understanding has been reached about the needs of the local community. Pikounda Nord has no human inhabitants but a revenue sharing arrangement will be agreed with the local communities in consultation with the Government of the ROC.

Minister Henri Djombo, Forest Minister of the Republic of Congo commented, "The Congo's REDD+ Readiness Proposal Preparation plan (R-PP) was approved by the World Bank's Forest Carbon Partnership facility in June 2010. This plan envisaged providing encouragement and support to pilot initiatives like this one proposed by CIB-Olam. We fully support the Pikounda Nord REDD+ Project and believe initiatives like these will help unlock the full range of values of natural tropical forests in the region by providing alternative sources of revenue to the local government & communities, supporting the conservation of wildlife and encouraging responsible management of standing forests, while creating additional carbon sinks in a rapidly warming world."

Robert Hunink, President & Global Head, Wood Products of Olam International added, "We are grateful to the Government of the Republic of Congo for its vision and commitment in regards to improving forest management practices. Their help and support has made it possible to launch this pioneering REDD+ initiative that meets our objectives of doing business responsibly and sustainably with respect to the environment, the local communities and in the best interests of our shareholders."

Notes for editors

This REDD+ initiative is a Project in Improved Forest Management in the Congo Rainforest basin, based on the Verified Carbon Standard (VCS)'s "Logged to Protected Forest"* methodology.

(*IFM-LtPF based on approved methodology VM0011, Number 0.2)

REDD+ - Reducing Emissions from Deforestation and Forest Degradation (REDD) is an effort to create a financial value for the carbon stored in forests, offering incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to sustainable development. "REDD+" goes beyond deforestation and forest degradation, and includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks.

Logged to Protected Forest (LtPF) – The practices that reduce net Greenhouse Gas (GHG) emissions by converting logged forests to protected forests. By eliminating harvesting for timber, biomass carbon stocks are protected and can increase as the forest re-grows and/or continues to grow.

- a) Protecting currently logged or degraded forests from further logging.
- b) Protecting unlogged forests that would otherwise be logged.

The Verified Carbon Standard (VCS) - The VCS Programme is among the most widely used quality assurance system for accounting for GHG emission reductions in the voluntary carbon market. Used by more than 600 project worldwide, the VCS Programme is recognised and trusted to ensure GHG emission reductions and removals are real, measurable, additional, permanent, independently verified, conservatively estimated, uniquely numbered and transparently listed in a central database.

Forest Stewardship Council™ (FSC™) - Their principles and criteria describe how the forests have to be managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. They include managerial aspects as well as environmental and social requirements. FSC™ rules are the strictest and FSC's™ social and environmental requirements the highest.

About Olam International

Olam International is a leading global integrated supply chain manager of agricultural products and food ingredients, sourcing 20 products with a direct presence in 65 countries and supplying them to over 11,000 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 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 Forbes. More information on Olam can be found at www.olamonline.com

**About CIB**

CIB (Congolaise Industrielle des Bois), a subsidiary of Olam International, is an established timber concession in the Republic of Congo which has been in operation since 1968. CIB was the first timber company to submit a Management Plan in Congo in 2005 and the first to become FSC™ Certified in 2006.

CIB-Olam operates five sawmills, dryers and moulding units in Pokola and Loundoungou and employs over 900 permanent staff as well as up to 100 subcontractors. Four forest concessions are allocated to CIB-Olam, all of which have been engaged in sustainable forest management for several years.

About Carbon Conservation Pte Ltd, the Project Developer

Carbon Conservation Pty Ltd. is an Australian company that is a world leader in carbon origination with a focus on carbon transactions for avoided deforestation or reduced emissions from deforestation and forest degradation (REDD). Its wholly owned subsidiary **Carbon Conservation Pte Ltd.** is a Singapore based entity.

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