

SAMKO TIMBER LIMITED

(the Company)

(Registration No. 200517815M)

(a company with limited liability incorporated under the laws of Singapore on 26 December 2005)

**RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE
USE OF PROCEEDS**

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as in the offer information statement dated 29 December 2009 (the "Offer Information Statement") in relation to the renounceable rights issue of Samko Timber Limited (the "Company").

The Company wishes to announce that out of the net proceeds of approximately S\$28.42 million from the Rights Issue, approximately S\$21.0 million has been used for the repayment of (a) the outstanding loan amount of US\$10.0 million of the CS Term Loan and (b) a US\$5.0 million under the CS Facility.

The Company will make further announcements via SGXNET when the remaining proceeds of the Rights Issue are materially disbursed.

By Order Of The Board

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
January 29, 2010

Important Notice

This Announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, any Rights or Rights Shares or to take up any entitlements to Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. No person should acquire any Rights or Rights Shares except on the basis of the information contained in the OIS. The information contained in this Announcement is not for release, publication or distribution to persons in the United States and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The issue, exercise or sale of rights and the acquisition or purchase of the Rights Shares are subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

The distribution of this Announcement, the OIS, the provisional allotment letters and/or the application forms for Rights Shares and excess Rights Shares into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this Announcement and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

This Announcement contains or incorporates by reference "forward-looking statements" regarding the belief or current expectations of the Company, the Board and other members of its senior management about the Group's businesses and the transactions described in this Announcement. Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties include the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in individual markets in which the Group operates, and other factors affecting the level of the Group's business activities and the costs and availability of financing for the Group's activities. Any forward-looking statement contained in this Announcement based on past or current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this Announcement is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed the historical or published earnings of the Company. In light of the ongoing turmoil in the global financial markets and its contagion effect on the economy, any forward-looking statement contained in this Announcement must be considered with significant caution and reservation. Each forward-looking statement speaks only as of the date of the particular statement. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Credit Suisse (Singapore) Limited was the Sole Global Coordinator, Bookrunner, Issue Manager and Underwriter for the initial public offering of shares in Samko Timber Limited.