

SAMKO TIMBER LTD

Company Registration No. 200517815M
(Incorporated in the Republic of Singapore)

COMPLETION OF THE ACQUISITION OF 100% INTEREST IN PT ESSAM TIMBER (THE “ACQUISITION”)

Where capitalized terms are used in this announcement and not otherwise defined, such capitalized terms shall bear the same meanings as ascribed to them in the announcement made by the Company on 22 April 2008 relating to the Acquisition. The same exchange rate is used in this announcement as announced on the announcement dated 22 April 2008.

The Board of Directors (the “**Board**”) of the Company refers to the announcement dated 22 April 2008 in relation to the entering into a conditional sale and purchase agreement (“**CSPA**”) by two of the Company’s subsidiary companies, PT Sumalindo Lestari Jaya (“**Suli**”) and PT Kalimantan Powerindo (“**KP**”) to acquire 100% shareholding interest in Essam from the Vendors.

The Board is pleased to announce the completion of the Acquisition on 6 June 2008, after all of the condition precedents required under the CSPA have been fulfilled and the execution of the definitive sale and purchase agreement (the “**S&P Agreement**”) on 6 June 2008.

The consideration for the Acquisition after adjustment is Rp 25 billion (equivalent to S\$3.7 million) [the “**Consideration**”]. The Acquisition was and will be fully funded by the internal resources of the Company. Rp 25 billion has been paid to the Vendors, upon the execution of the S&P Agreement. The balance of the Consideration (i.e US\$19.7 million and the Rp 2.9 billion of debt owing to Rich Link Overseas (equivalent to S\$27.1 million) will be refinanced upon the completion of the Acquisition.

As announced on 22 April 2008, after the completion of the Acquisition, Suli will own over 800,000 hectares of forest concession to support its’ business operation.

About Essam

Essam is a limited liability company established under the laws of the Republic of Indonesia and holds natural forest concession rights (IUPHHK-Hutan Alam) with a total area of 355,800 hectares, located in East Kalimantan, Indonesia.

By Order of the Board

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
June 9, 2008