

SAMKO TIMBER LTD

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

ANNOUNCEMENT

The Board of Directors (the "**Board**") of Samko Timber Ltd ("**Company**") wishes to update shareholders on recent developments of the Company's plan to acquire a bio-technology company as previously mentioned in the Company's announcement on 21 April 2011 ("**Proposed Acquisition**").

On Saturday, 21 May 2011, the Company and Temasek Life Sciences Ventures Private Limited (the "**Vendor**"), a subsidiary of Temasek Holdings (Private) Limited, executed a Term Sheet ("**Term Sheet**") in relation to the Company's acquisition of 100% of the outstanding shares in BioForest Private Limited (the "**Target Company**") from the Vendor for a total consideration of S\$7,382,261, which will be fully paid in new shares of the Company. The new shares of the Company to be issued to the Vendor will be priced at S\$0.1362 per share, based on a 10 percent discount to the three month volume weighted average price of the Company's share price on Friday, 20 May 2011. Upon issuance, the Vendor will hold 54,201,621 shares, which will be less than 5 percent of the enlarged share capital of the Company.

The Target Company is in the business of producing tree seedlings for the plantation industry, and is able to genetically duplicate elite tree candidate, thereby producing seedlings that will have the same desirable characteristics as the mother tree. The Proposed Acquisition, if completed, will assist the Company move upstream into tree planting, and help transform the Company into a fully integrated timber product player.

The completion of the purchase of the Target Company is conditional upon various conditions, including satisfactory due diligence, the execution of a definitive sale and purchase agreement and if required, the approval of shareholders of the Company at an Extraordinary General Meeting. The Board will provide further details of the Proposed Acquisitions in the event that the Company is satisfied with its due diligence, and a definitive sale and purchase agreement is entered into with the Vendor.

By Order of the Board

Aris Sunarko @ KoTji Kim
Chief Executive Officer
23 May 2011