

SAMKO TIMBER LIMITED

(the **Company**)

(Registration No. 200517815M)

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

UPDATE ANNOUNCEMENT ON THE 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 Board of Directors of the Company refers to the Company's previous announcement dated 29 January 2010 in relation to the Renounceable Underwritten Rights Issue ("**Rights Issue**") Use of Proceeds of the Company. The Board of Directors wishes to announce that out of the net proceeds of approximately S\$28.42 million, (i) approximately S\$21.0 million has been used for the repayment of the CS Term Loan and the CS Facility, and (ii) approximately S\$ 7,420,000 has been used for the Group's general corporate and working capital purposes.

By Order Of The Board

Aris Sunarko @ Ko Tji Kim
Chief Executive Officer
March 5, 2010

Important Notice

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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.