

RSPO

RSPO NOTIFICATION OF PROPOSED NEW PLANTING

This notification shall be on the RSPO website for 30 days as required by the RSPO procedures for new plantings (<http://www.rspo.org/?q=page/535>). It has also been posted on local on-site notice boards.

Date of notification: July 09th, 2012

Tick whichever is appropriate

√	This is a completely new development and stakeholders may submit comments.
	This is part of an ongoing planting and is meant for notification only.

COMPANY : First Resources Ltd

SUBSIDIARY (If any) : PT. Citra Agro Kencana (CAK)

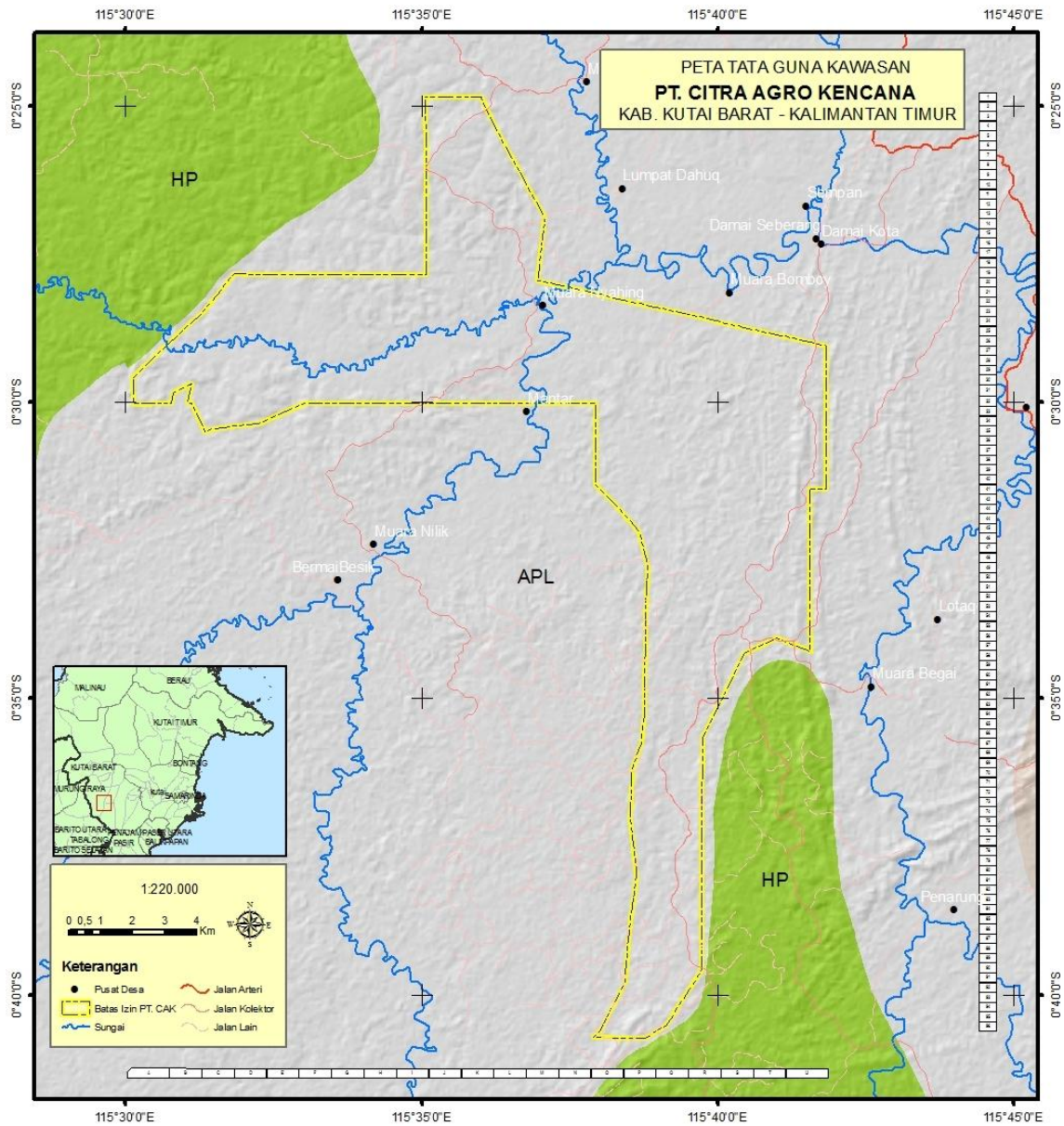
RSPO Membership No. : 1-0047-08-000-00 since March 11, 2008

Location of proposed new planting	GPS coordinates	Legal permit
Lumpat Dahuq, Bomboy, Muara Begai, Damai Seberang and Mantar Village; Damai and Muara Lawa Subdistrict; Kutai Barat Regency; East Kalimantan Province, Indonesia	East : 115°32'22" – 115°41'49" South : 00°24'51" – 00°40'47"	<ul style="list-style-type: none"> • Location Permit: Decree of Regent Kutai Barat No. 525.26/ K.565b/2010 dated on 14 June 2010, the total area 16,843 ha • Plantation Permit : Decree of Regent Kutai Barat No. 525.26/K.939b/2010 dated on 22 November 2010, total area 16,001.07 ha

Location Map of PT. CAK in East Kalimantan

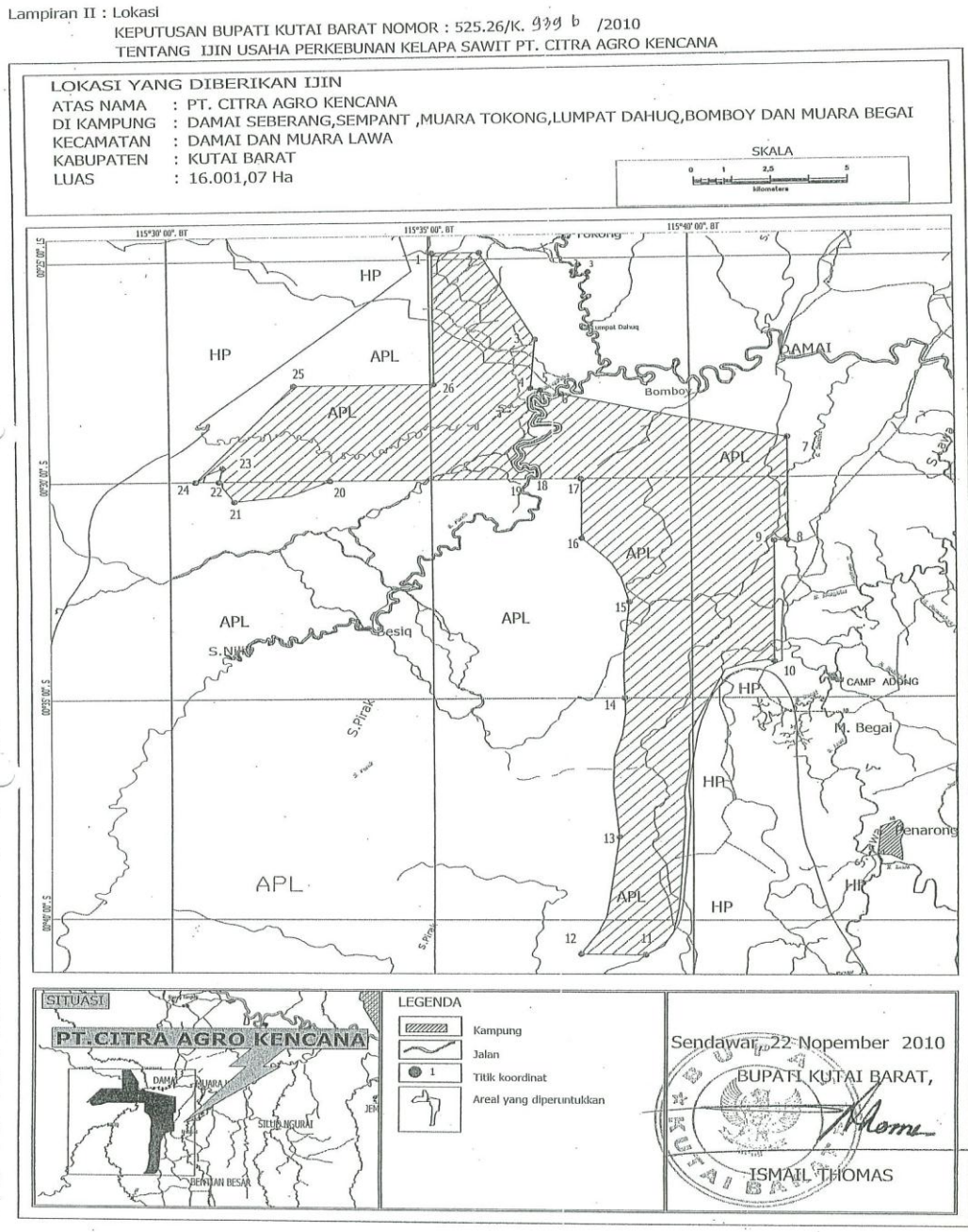


Map of Land Use Area of PT. CAK in Kutai Barat Regency



Map of Plantation Permit of PT. CAK

(As per Decree of Regent Kutai Barat, regarding Plantation Permit No. 525.26/K.939b/2010 dated on 22 November 2010, total area 16,001.07 ha)



SUMMARY OF SEIA ASSESSMENT

PT. Citra Agro Kencana (CAK) has performed document of *Analisis Mengenai Dampak Lingkungan* (AMDAL) as mandatory obligation from the Government of Indonesia for every new project which can have significant impact to the environment. This assessment consisting of three main documents, *Analisa Dampak Lingkungan* (ANDAL), *Rencana Pengelolaan Lingkungan* (RKL), and *Rencana Pemantauan Lingkungan* (RPL) or Environmental Impact Assessment (EIA), Environmental Management and Monitoring Plan. The AMDAL documents mentioned the positive and negative impact and the program how to manage and monitor the impacts. ANDAL, RKL-RPL has been approved by Regent of Kutai Barat through the Decree of No. 660.5/015/AMDAL/BLH-KBR/X/2010 dated on October 18, 2010. The assessment was held by PT. Integral Multi Talenta, an EIA Consultant registered by Ministry of Environmental Republic of Indonesia.

As required by RSPO New Planting Procedure PT. CAK also prepared a Social and Environmental Impact Assessment (SEIA), an assessment which integrated social and environmental impact. As in AMDAL, the SEIA identified all positive and negative impacts of activities and how to manage and monitor them appropriately. In addition to the environmental, PT. CAK has prepared an High Conservation Value (HCV) assessment and identified several criteria of HCV. Both of these SEIA and HCV assessment was conducted by YASBI assessors, which has been registered under RSPO qualification.

There was positive and negative impact both on environment and social caused by PT. Citra Agro Kencana plan. The positive impacts associated with the better road accessibility, open the opportunity to work and doing business, increasing income for community. Another social benefit related to company's Corporate Social Responsibility (CSR) and Community Development program to improve social welfare, health, and education quality level.

The SEIA assessment also identified the negative impacts. Negative impacts which potentially happened include the increasingly of consumerist behavior society, land conflicts due to the increasing and value, and social disparities between indigenous communities and the migrants.

SUMMARY OF HCV ASSESSMENT

HCV assessment was done by RSPO approved HCV assessors from YASBI in March 2012, to conduct and prepare the necessary assessments and documents to comply with RSPO new planting documents to carry out the New Planting Procedure announcement.

HCV assessment identified that there was no primary forest, no peat area, all local people's land has been identified and the land acquisition resolution with free prior and informed consent. Five types of HCVs identified within the Plantation Permitted Area of PT CAK, with the total HCV area is 723.67 ha (4.52 % of the Plantation Permitted Area issued to PT CAK). The HCV consist of about 389,33 ha are HCV 1, 333,94 ha are HCV 2, 389,33 ha are HCV 4, 389,33 ha are HCV 5 and 0,4 ha are HCV 6. However, some of HCV area are overlapping with other HCV area.

No peat soil was noted in the area of Plantation Permit. HCV report shows that PT. CAK was situated in Teweh (TWH), Lawanguwang (LWW), Maput (MPT), Bakunan (BKN), Tewal Baru (TWB), dan LHI (Lohai). Soil types in these area was dominated by podsolik-kambisol, kambisol-podsolik-regosol, oksisol-podsolik-regosol, kambisol-gleisol, nitosol-kambisol, nitosol-regosol-podsolik and leisol-aluvial-kambisol.

The local people's land has been identified and classified as customary, inheritance, and managed land. PT. CAK aware about the free prior informed consent (FPIC). There was transparency in relation to dealings with all local landowners and has incorporated this in its procedures.

The assessment covers the plantation permitted area which was included the company's project area, and possible expanded area surrounding proposed plantation area. The field survey was conducted in March 2012. The surveyed area covers representative observation spots of the process. Each observation team was accompanied by the field staff from the company and local representatives who were familiar with the site.

Besides field survey, the team also collected information from the local community through interviews of selected individual, Focus Group Discussion (FGD), as well as public consultations. The assessment included satellite imagery analysis, extensive field surveys, and public consultations with the communities living in the project area. The HCV assessment report included recommendation for the management and improvement of the HCV found within the project area.

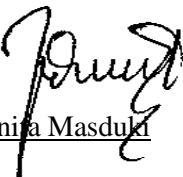
SUMMARY OF PLAN

The findings and recommendations of the SEIA and HCV assessments have been integrated in the management plan. The management plan is consistent with the current RSPO P & C for New Plantings.

VERIFICATION STATEMENT

The AMDAL (EIA), HCV and SEIA assessment report, as well as management plan of PT. Citra Agro Kencana has been checked and verified by TUV NORD assessor through desk audit and verification of all related documents. TUV NORD assessor confirmed that the assessment and plan are comprehensive, professional and compliant with the RSPO principles, criteria and indicators.

Signed for, on behalf of TUV NORD Indonesia

A handwritten signature in black ink, appearing to read 'Anifa Masduki'. The signature is written in a cursive style with a large initial 'A'.

Anifa Masduki

Lead Auditor

June 11th 2012