For Immediate Release

Results affected by lower CPO prices and weak Rupiah

Singapore, 12 August 2015 – **Kencana Agri Limited** ("Kencana" or the "Group"), today announced its financial results for the first half ended 30 June 2015.

Summary of Results

US$ '000	2Q 2015	2Q 2014	Change	1H 2015	1H 2014	Change
Revenue	35,474	49,743	-29%	67,765	99,853	-32%
Gross profit	5,647	13,902	-59%	11,469	26,583	-57%
Operating profit	5,567	9,112	-39%	1,994	20,782	-90%
EBITDA	2,534	7,116	-64%	(672)	20,641	n/m
Profit/(Loss) before tax	2,177	5,865	-63%	(6,153)	14,156	n/m
Net profit/(Loss) after tax	1,748	4,445	-61%	(5,205)	10,682	n/m

*n.m: not meaningful

Review of Group Financial Performance

2Q 2015 vs 2Q 2014

The Group's revenue decreased by 29% from US$49.7 million in 2Q 2014 to US$35.5 million in 2Q 2015. The decrease was mainly due to significantly lower Average Selling Price ("ASP") of CPO during the quarter, offset by marginally higher CPO sales volume. ASP of CPO decreased approximately 25% from US$746 to US$563, whereas sales volume of CPO increased approximately 3% from 54,595 MT in 2Q 2014 to 56,016 MT in 2Q 2015.

The Group's Operating Profit ("OP") for 2Q 2015 decreased from US$9.1 million in 2Q 2014 to US$5.6 million and Net Profit After Tax ("NPAT") decreased from US$4.4 million to US$1.7 million. The decrease in OP was mainly due to significantly lower ASP of CPO as compared to 2Q 2014. The decrease in NPAT was similarly due to significantly lower ASP of CPO as mentioned above and higher interest expense.

1H 2015 vs 1H 2014

The Group's revenue decreased by 32% from US$99.9 million in 1H 2014 to US$67.8 million in 1H 2015. The decrease was mainly due to significantly lower ASP of CPO during the period, coupled with lower sales volume of CPO. ASP of CPO decreased approximately 25% from US$765 to US$572 while sales volume of CPO decreased approximately 7% from 110,047 MT in 1H 2014 to 102,698 MT in 1H 2015.

The Group's OP for 1H 2015 decreased from US$20.8 million in 1H 2014 to US$2.0 million and NPAT turned from a profit of US$10.7 million to a loss of US$5.2 million. The decrease in OP was mainly due to significantly lower ASP of CPO, unrealised loss on forward currency exchange contracts and significantly higher foreign exchange loss as compared to 1H 2014. The decrease in NPAT was similarly due to significantly lower ASP of CPO, unrealised loss on forward currency exchange contracts, significantly higher foreign exchange loss as mentioned above, higher interest expense and share of loss from joint ventures, offset by higher financial income and tax benefit for the period.

Shareholders' equity decreased from US$172.7 million as at 31 December 2014 to US$154.9 million as at 30 June 2015 due to loss for the financial period of US$5.2 million and translation loss of US$12.7 million.

As at 30 June 2015, the Group's total current assets decreased by US$0.7 million from US$53.6 million to US$52.9 million. This was mainly due to a decrease in cash and cash equivalents amounting to US$3.5 million, offset by an increase in trade receivables amounting to US$3.2 million. Total non-current assets as at 30 June 2015 decreased by US$10.2 million from US$457.4 million to US$447.2 million mainly due to decrease of US$7.5 million in the value of the biological assets and decrease of US$3.8 million in property, plant and equipment.

Net asset value per share for the Group decreased from 15.05 US cents as at 31 December 2014 to 13.49 US cents as at 30 June 2015.

Review of Operational Performance

At the operational level, the Group's total planting was 906 ha in 1H 2015. During the period, 247 ha was assigned for plasma. Mature area increased 7,479 ha to 47,853 ha.

FFB produced from nucleus decreased slightly by 0.3% from 267,257 MT in 1H 2014 to 266,410 MT in 1H 2015. The oil extraction rates for CPO and CPKO were 20.8% and 43.3% compared to 20.9% and 43.3% in 1H 2014 respectively.

Outlook

Mr. Henry Maknawi, Chairman and CEO of Kencana said, "CPO price continued to remain soft in 2Q 2015 affected by weak crude oil and other vegetable oil prices. Vegetable oil price in particular has been affected by ample soybean supplies from US and South America coupled with the slowdown in global demand for edible oil from Europe and China. We will continue to focus on productivity to remain competitive in this challenging environment."

About Kencana Agri Limited

Listed on the Main Board of the Singapore Stock Exchange on 25 July 2008, Kencana Agri Limited ("Kencana" or the "Group") is a fast-growing producer of Crude Palm Oil ("CPO") and Crude Palm Kernel Oil ("CPKO") with oil palm plantations strategically located in the Sumatra, Kalimantan and Sulawesi regions. As at 30 June 2015, Kencana's total land bank and planted area (including Plasma Programme) were 193,570 ha and 67,572 ha respectively. As part of its growth strategy and in line with its goal to be a leading palm oil producer and supplier of choice for both local and international markets, Kencana has streamlined its integrated plantation operations, which include palm plantations, palm oil mills, kernel crushing plants, as well as bulking and logistics facilities, to support its operations. In addition, Kencana strives to pursue sustainable palm oil production whilst remaining committed to being a good corporate citizen for the benefit of all stakeholders.

For more information about Kencana, please visit www.kencanaagri.com

For more information, please contact:

Kencana Agri Ltd: +65 6636 8998

Email: info@kencanaagri.com