For Immediate Release

Kencana's FFB production increased by 45% in 3Q2012 over 3Q2011

- *Fresh Fruit Bunches (FFB) harvested increased by 45% in 3Q2012, the result of more matured trees and better yield*
- *Net Profits for 3Q2012 increased by 123% and EBITDA improved by 28%*

Singapore, 14 November 2012 – Kencana Agri Limited ("Kencana" or the "Group"), today announced the results for third quarter ended 30 September 2012 ("3Q2012").

Summary of results

US$ '000	3Q2012	3Q2011	% Change	9M2012	9M2011	% Change
Revenue	80,106	75,751	+6	205,978	217,094	-5
Gross profit	10,493	7,399	+42	26,637	29,061	-8
Operating profit	3,929	3,146	+25	9,536	19,562	-51
EBITDA	4,872	3,815	+28	13,014	22,761	-43
Profit before tax	2,017	700	+188	4,849	13,054	-63
Net profit after tax	1,046	469	+123	3,936	9,604	-59

Excluding foreign exchange gain or loss (mainly unrealized) due to depreciation of IDR against US$, the results would have been as follows:

US$ '000	3Q2012	3Q2011	% Change	9M2012	9M2011	% Change
Operating profit	5,471	4,543	+20	13,371	18,278	-27
Profit before tax	3,559	2,097	+70	8,684	11,770	-26
Net profit after tax	2,588	1,866	+39	7,771	8,320	-7

Review of results and financial position

For 3Q2012, Kencana reported revenue of US$80.1 million as compared to US$75.8 million achieved in 3Q2011. As a result of the higher revenue achieved, the gross profit increased to US$10.5 million

in 3Q2012 from US$7.4 million in the previous corresponding quarter. The increase in revenue and gross profit was mainly contributed by higher sales volume of CPO, owing largely to more FFB harvested from our plantation. The higher production more than offset the impact of the lower average selling price (net of export tax) per tonne ("ASP") of CPO during the quarter. The ASP of CPO and CPKO decreased from US$910 to US$840 and US$1,130 to US$840 respectively.

In 3Q2012, operating profit for the group was higher at US$3.9 million while net profit after tax was US$1.0 million. The higher profits were mainly contributed by higher revenue achieved as a result of higher sales of CPO mentioned above. In the period under review, the group also incurred a foreign exchange loss of US$1.5 million, resulted from unrealised loss in the translation of the Group's US$ borrowings due to appreciation of US$ against Indonesian Rupiah. Excluding the foreign exchange effect, the operating profit and net profit after tax for 3Q2012 would be US$5.5 million and US$2.6 million respectively.

For 9M2012, Kencana's revenue of US$206.0 million was 5% lower than the US$217.1 million achieved in 9M2011. Operating profit and net profit after tax were US$9.5 million and US$3.9 million respectively. This was lower than those of 9M2011 and was mainly due to lower ASP of CPO for the Jan – Sept period and foreign exchange loss of US$3.8 million against an exchange gain of US$1.3 million recorded in 9M2011. Excluding the foreign exchange effect, the operating profit and net profit after tax for 9M2012 would be US$13.4 million and US$7.8 million respectively.

Earnings per share for 3Q2012 was 0.09 US cents whereas earnings per share for 9M2012 was 0.34 US cents.

The Group's financial position remained healthy. Total assets increased to US$511 million and total non-current assets increased by US$30 million during 9M2012. The increase was mainly attributable to the acquisition of additional land rights and capital expenditure incurred for expansion such as new planting, land rights and new vessels.

Net asset value per share for the Group decreased to 18.81 US cents as at end September 2012 from 19.84 US cents as at end December 2011.

Review of operational performance

At the operational level, Kencana's total planted area (nucleus and plasma) in the nine months increased by 3,328 hectares to 58,195 hectares as at end September 2012. In line with the increased

maturity profile of the oil palm trees, the FFB produced by our nucleus for 3Q2012 increased by 45% to 78,200 MT. The yield for 3Q2012 also increased to 4.8 MT/Ha as compared to 3.7 MT/Ha in the corresponding period.

Outlook

The present uncertainty in the global economy is likely to continue to affect the demand and the prices of oil seed products and CPO. The price of CPO has declined in 3Q2012 and is expected to remain volatile in the short term and may also impact the year-end valuation of biological assets.

Mr Henry Maknawi, Chairman and CEO of Kencana said, "The Group will have more matured trees coming into production which, barring any unforeseen circumstances, will result in higher FFB and CPO production. The Group will closely monitor its production costs, overall expenses and the impact of foreign exchange movements."

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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, Sulawesi and Kalimantan regions. As at 30 September 2012, Kencana's total land bank and planted area (including Plasma Programme) were 198,935 ha and 58,195 ha respectively. As part of its growth strategies 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, as a member of the Roundtable on Sustainable Palm Oil ("RSPO"), 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

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