



PRESS STATEMENT

RGM Group Reaches New Agreement on Riau Complex Loan with Indonesian Banks

SINGAPORE, 20 October, 2006 - Member companies of the RGM Group, PT. Riau Andalan Pulp and Paper, PT. Riau Andalan Kertas (both subsidiaries of APRIL) and PT. Riau Prima Energi, have signed a new Heads of Agreement (HoA) with Bank Mandiri and Bank Negara Indonesia, two major participants in the syndicated loan to Riau Complex¹.

The Riau Complex loan was originally established with 15 Indonesian and international lenders prior to the Asian monetary crisis to finance the construction by APRIL of one of the world's largest pulp and paper mills in Riau, Indonesia. Due to the Asian economic crisis in 1997-99, the loan had to be restructured with the total principal being US\$1.51 billion when the restructuring was completed in September 2002. (see endnote below).

The HoA outlined the terms and conditions of a new loan agreement which provides an improvement in terms for both parties. Under the new agreement, the annual repayments of principal and interest, in aggregate, will be increased from US\$61 million to an average of more than US\$140 million. The tenor of the loan has also been extended from 2010 to 2016.

In a press statement released separately by Bank Mandiri and BNI in Indonesia today, the banks reconfirmed that there had been no deduction given on the principal of the loan during the loan restructuring in 2002.

¹ The Riau Complex refers to APRIL's pulp and paper manufacturing facilities in Kerinci, Indonesia.

The banks further stated “Since the last restructuring in 2002 up to now, Riau Complex (RGM Group) has fulfilled its payment obligations as stipulated in the Restructuring Agreement”.

“We welcome the new loan agreement as we have always believed in mutually beneficial partnerships with our creditors,” said A J Devanesan, President and Chief Operating Officer of APRIL.

Concurring, Mr Ibrahim Hasan, President of RGM Indonesia, said: “The banks’ press statement is an endorsement of their confidence in the RGM Group. We greatly appreciate that and look forward to working closely with them in future as well as their continued support.”

About the RGM Group (www.rgmi.com)

RGM International is a leading global group comprising highly successful and socially responsible companies operating in the resources arena. The Group’s primary business interests include fiber, pulp & paper; crude palm oil and related businesses; oil & gas; viscose fiber; and engineering, procurement and construction.

About APRIL (www.aprilasia.com) - UNEP Champions of the Earth 2006 Corporate Partner

APRIL, with offices worldwide and manufacturing operations in Indonesia and China, is a leading producer of fiber, pulp and paper. APRIL operates one of the world’s largest pulp mills with an annual production capacity of 2,000,000 tonnes in Indonesia. The company is committed to protecting the natural resources in its care through sustainable management of its mills and plantation operations to benefit our stakeholders, both now and in the future.

About the Riau Complex loan

In the 1990s Riau Complex borrowed funds to build a pulp and paper mill. The Asian crisis saw both banks and Riau Complex experiencing financial difficulties resulting in a need to restructure the loan. During the debt restructuring period, foreign exchange rates fluctuated wildly and the banks required the original US\$ loan amount to be converted to Indonesian rupiah at a rate of Rp11,500 to the US\$ and then, in 1999, reconverted back at a rate of Rp7,700 to the US\$. The resulting foreign exchange conversion loss was borne by the company and capitalized into the loan.

For more information, please contact RGMI or APRIL Corporate Communications

Departments:

RGMI – John Holland (+65-6216 9339 or 65-96770 4801; john_holland@rgmi.com); Sharon Chong +65-6216 9186 or +65-9782 6800; sharon_chong@rgmi.com)

APRIL - Cindy Lim (+65-6216 933 or +659012 2652; cindy_lim@aprilasia.com)