

Company Name	:	BTM RESOURCES BERHAD
Stock Name	:	BTM
Date Announced	:	28/02/2008

Type : Reply to query  
Reply to Bursa : LS-080227-55159  
Malaysia's  
Query Letter -  
Reference ID  
Subject : (I) PLANTATION DEVELOPEMENT AGREEMENT BETWEEN BTM DEVELOPMENT SDN BHD AND SPPT DEVELOPMENT SDN BHD;  
(II) TIMBER SUPPLY AGREEMENT BETWEEN BESUT TSUDA WOOD PRODUCTS SDN BHD ANDSAMAS LIMITED; AND  
(III) TIMBER SUPPLY AGREEMENT ENTERED BETWEEN BESUT TSUDA WOOD PRODUCTS SDN BHD AND BTM TIMBER INDUSTRIES SDN BHD

Contents :

Your Ref : LS-080227-55159

Head  
Listing Division  
Bursa Malaysia Securities Berhad  
15th Floor, Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Attn : Puan Suzalina Harun

Tuan/Puan,

RE : (1) PLANTATION DEVELOPMENT AGREEMENT BETWEEN BTM DEVELOPMENT SDN BHD AND SPPT DEVELOPMENT SDN. BHD  
(II) TIMBER SUPPLY AGREEMENT BETWEEN BESUT TSUDA WOOD PRODUCTS SDN BHD AND SAMAS LIMITED; AND  
  
(III) TIMBER SUPPLY AGREEMENT BETWEEN BESUT TSUDA WOOD PRODUCTS SDN BHD AND BTM TIMBER INDUSTRIES SDN BHD.

With reference to your letter dated 27th February 2008, we have pleasure to enclose the following additional information for public release :-

i) The aggregate value of consideration :

I) Plantation Development Agreement – RM25,000,000.00

II) Timber Supply Agreement – initial period of three years - 21,600 M3 at RM1,000 per M3 amounting to – RM21,600,000.00

III) Timber Supply Agreement – initial period of three years – 12,600 tons @ RM800.00 per ton amounting to RM10,080,000.00

- ii) The basis on how the above consideration were arrived at :
- for (I) at a willing provider for development work and willing acceptor for development work after taking into consideration of the development cost.
  - for (II) at a willing buyer and willing seller of timber after taking into consideration of species, grade and quality of timber to be supplied from Papua New Guinea.
  - for (III) at a willing buyer and willing seller of timber to be supplied after taking into consideration of species, grade and quality of timber to be supplied.
- iii) The above-mentioned agreements will have positive effects on BTM's earnings per share, net asset per share and gearing respectively.
- iv) The sources of funding of the purchase consideration for the two (2) timber supply agreements will be from funds that can be internally generated and partly from the proceeds from the Proposed Right Issue submitted to Securities Commission.
- v) The proceeds arising from plantation development agreement will be utilised to pay for the development cost of the plantation. Surplus or profits from the development project will be retained as working capital for the Group.
- vi) The above mentioned agreements are not subject to the approval of any relevant government authorities.

We hope the above information has given you sufficient reply to your query.

Query Letter content :

We refer to your Company's announcements dated 25 February 2008, in respect of the aforesaid matters.

In this connection, kindly furnish Bursa Malaysia Securities Berhad with the following additional information for public release:

- (i) The aggregate value of the consideration for the plantation development agreement and the two (2) timber supply agreements, respectively;
- (ii) The basis on how the above considerations were arrived at for each of the plantation development agreement and the two (2) timber supply agreements;
- (iii) The effect of each of the above-mentioned agreements on BTM's earnings per share, net assets per share and gearing, respectively;

(iv) The source of funding for the purchase consideration arising from the two (2) timber supply agreements, respectively;

(v) The intended application of the proceeds arising from the plantation development agreement; and

(vi) Whether the above-mentioned agreements are subject to the relevant government authorities.

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Please furnish Bursa Malaysia Securities Berhad with your reply within one (1) market day from the date hereof.

Yours faithfully,

SUZALINA HARUN  
Head, Issuers  
Listing Division  
Group Regulations

SUZ/WLS

copy to:- Mr. Chung Tin Fah, Securities Commission (via fax)

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