

Amended Announcement

(Please refer to the earlier announcement reference number: BR-090709-53264)

Company Name	:	BTM RESOURCES BERHAD
Stock Name	:	BTM
Date Announced	:	13/07/2009

Type : Announcement
Subject : BTM RESOURCES BERHAD ("BTM") OR ("THE COMPANY")
- TIMBER SUPPLY AGREEMENT BETWEEN BESUT TSUDA
WOOD PRODUCTS SDN BHD AND SAMAS LIMITED

Contents : 1. INTRODUCTION

The Board of Directors of BTM Resources Berhad ("BTM") wishes to announce that Besut Tsuda WoodProducts Sdn. Bhd, a wholly-owned subsidiary of BTM has on 7 July 2009 entered into a timber supply Agreement with SAMAS LIMITED (Company No. 1-54800) ("SAMAS") for the purchase of timber over a period of three (3) years from 1st January 2010.

2. SALIENT FEATURES OF THE TIMBER SUPPLY AGREEMENT

2.1 Samas is a private company incorporated in Papua New Guinea and operate as a logging and sawmill operator and exporter of sawn timber.

2.2 SUPPLY OF TIMBER

Samas Limited shall supply to Besut Tsuda Wood products Sdn Bhd 7,200 tons per annum merchantable medium hardwood timber during the initial period as raw materials for Besut Tsuda Wood Products Sdn Bhd.

2.3 SUPPLY PERIOD

The supply period under the log supply agreement shall be three (3) years with effect from 1st January 2010 ("Initial Period") with an option to renew for a period of two (2) years ("Extended Period").

2.4 PRICE AND AGGREGATE VALUE OF TIMBER DURING INITIAL PERIOD

The price of timber to be supplied by SAMAS to Besut Tsuda Wood Products Sdn Bhd during the initial period shall be at Ringgit Malaysia : Seven Hundred (RM700.00) only per ton inclusive of any applicable taxes.

The aggregate value of timber to be supplied during the initial period amounting to Ringgit Malaysia : fifteen million one and twenty hundred thousand (RM15,120,000.00) only.

2.5 INFORMATION ON SAMAS

SAMAS was incorporated in Papua New Guinea as a private limited company with Company NO.1-54800. The principal activities of SAMAS are logging,sawmilling and timber exporter.

4. RATIONAL FOR THE LOG SUPPLY AGREEMENT

In line with BTM's timber business, the agreement will provide BTM Group of Companies a steady supply of logs as raw materials for sawmill operation.

5. RISK FACTORS

5.1 Business Risk

The future performance of the BTM Group is subject to certain risks inherent in the timber business. These include but are not limited to the timber market trend, availability of trained skilled workers in timber business, increases in the cost of labour, competition, changes in general economic, business and interest rate conditions and changes in the legal environment framework within the timber industry operations. Although BTM Group seeks to limit these risks through the existing and new markets, developing and maintaining market networks, prudent financial management and efficient operating procedures, maintaining good business relationship with our customers and suppliers and no assurance can be given that any changes in the above factors will not have any material adverse effect on the BTM Group's business.

5.2 Political, Economic and Regulatory Considerations

Like all business entities, changes in political, economic and regulatory conditions in Malaysia could materially and adversely affect the financial and business prospects for BTM Group. Amongst the political, economic and regulatory uncertainties are changes in cancellation of logging permit by the State Government, changes in interest rates and method of taxation and currency exchange rules and contracts.

The BTM Group may continue to take effective measures to mitigate such risks. However, there is no assurance that adverse economic, political and regulatory conditions will not materially affect the business activities of the BTM Group.

6. FINANCIAL EFFECTS OF THE AGREEMENT

The timber supply agreement will have no effect on the issued and paid-up capital, substantial shareholders shareholdings and gearing of the BTM Group.

7. APPROVAL REQUIRED

The log supply agreement is a related party transaction and the percentage ratio of the aggregate value of consideration of the transactor as compared to the net assets of BTM has exceeded 25%, hence the approval of the BTM shareholders are required.

The directors, major shareholder and/or person connected with directors or major shareholder, which have any interest, direct or indirect, in the transaction will abstain from voting in respect of their direct and/or indirect shareholding. Where the person connected with a director or major shareholders has direct interest, direct or indirect, in the transaction will also abstain from voting in respect of his direct and/or indirect shareholding. Such interested director and/or major shareholder has/have undertaken that he/they shall ensure that the persons connected with him/them will abstain from voting on the resolution approving the issue at the general meeting.

8. DIRECTORS AND/OR MAJOR SHAREHOLDERS' INTEREST

Dato' Seri Yong Tu Sang is a Director and major shareholder of BTM Resources Berhad and Samas Limited

Save as above, none of the Directors and major shareholders of BTM have any interest directly or indirectly in the timber supply agreement.

9. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of BTM is of the opinion that the log supply agreement is in the best interest of the company.

10. COMPLIANCE WITH THE SECURITIES COMMISSION'S GUIDELINES ON THE ISSUE/OFFER OF SECURITIES

To the best knowledge of the Board, the agreement has not departed from the SC Guidelines.

11. DOCUMENTS FOR INSPECTION

The agreement is available for inspection at the registered office of BTM during office hours from Mondays to Fridays at No. 22-2, Jalan Tun Sambanthan 3, 50470 Kuala Lumpur for a period of four months from the date this agreement.

This amended announcement is dated 13 July 2009

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