

NEWS RELEASE**HALCYON AGRI'S Q1 2013 NET PROFIT UP 27% TO US\$1.5 MILLION**

- *Sales volume continues to grow, 19% higher at 16,534 tonnes*
- *Gross material profit increase from US\$331 per tonne to US\$375 per tonne*
- *FY2013 contracted volume based on committed offtake currently at 78,819 tonnes, a 18% increase from FY2012*

Singapore, 13 May 2013 – Midstream natural rubber producer Halcyon Agri Corporation Limited, today announced net profit of US\$1.5 million for the first quarter ended 31 March 2013 (Q1 2013), up 27% over the same period last year.

The higher quarter on quarter profits reflected a 19% increase in the volume of natural rubber sold, as well as a 13% increase in the gross material profit per tonne.

Halcyon Agri's Executive Chairman and CEO Robert Meyer said: "The results are a testament to our robust business model which sees us delivering strong growth in earnings despite volatile raw material prices."

The Group's revenue for Q1 2013 was US\$50.1 million, 3.9% lower than Q1 2012, reflecting the lower market price of natural rubber in Q1 2013. Despite the lower market price of natural rubber, the average gross material profit per tonne of rubber sold rose 13% to US\$375, as a result of more effective and efficient raw material procurement. The Group's gross profit rose 30% to US\$4.0 million in Q1 2013.

Administrative expenses rose 67% to US\$ 1.5 million in Q1 2013, mainly due to an increase in professional fees of US\$0.5 million, of which US\$0.3 million was a non-recurring IPO expense.

On the Group's outlook, Mr Robert Meyer said "We are encouraged by a strong momentum on the sales side and this supports the Group's expansion strategy."

As at 31 March 2013, the Group had committed offtake of 35,804 tonnes for the remainder of FY2013. This has since been further increased by 26,481 tonnes, as the Group secured additional offtake from 1 April 2013 to 10 May 2013. This translates to a currently contracted volume of 78,819 tonnes, a 18% increase as compared to 67,046 tonnes sold in FY2012. This volume may increase by 9,374 tonnes if the Group's customers exercised their respective options to increase their offtake.

Halcyon Agri was listed on Catalist on 1 February 2013. Its initial public offering of 61 million shares at S\$0.36 a share raised S\$13.8 million (net of listing expenses). The proceeds are being applied to expanding and upgrading its processing facilities, and to general working capital requirements.

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Note: This press release is to be read in conjunction with the related mandatory announcement filed by Halcyon Agri Corporation Limited on SGXNET.

About Halcyon Agri

Halcyon Agri Corporation Limited and its subsidiaries (the "Group") operate in the midstream of the natural rubber supply chain, specialising in the processing and merchandising of natural rubber. Headquartered in Singapore, where its risk management and merchandising operations are located, the Group owns and operates two rubber processing facilities, HMK1 and HMK2, in Palembang. The Group's products, namely SIR20, SIR20-VK and SIR20-Compound, are exported to a global customer base, including many of the top 20 international tyre manufacturers.

The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 1 February 2013. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This media release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this media release.

This media release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made or reports contained in this media release.

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