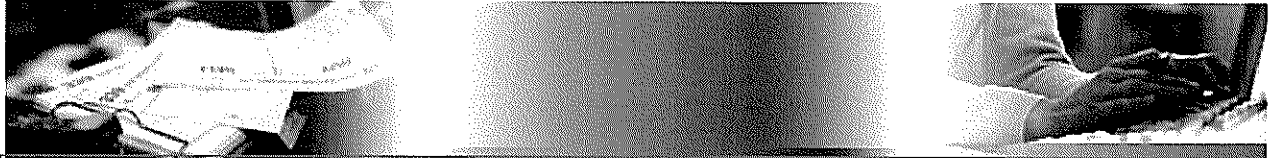




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Announcement Submission : Acknowledgement Page

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Announcement Details :

Announcement Reference Number	00111
Broadcast Status	PUBLISHED
Broadcast Date & Time	12-Jul-2007 18:40:37
Submission Date & Time	12-Jul-2007 18:39:52
Company Name	LERENO BIO-CHEM LTD.
Announcement Title	MISCELLANEOUS :: PRELIMINARY AGREEMENT AND SUPPLEMENTAL CONNECTION WITH, INTER ALIA, A NEW CAPITAL INJECTION BY LE BIO-CHEM LTD AMOUNTING TO AN AGGREGATE VALUE OF USD 3,7' RENO PACIFIC PLANTATIONS PTE LTD
Announcement Category	MISCELLANEOUS

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Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	LERENO BIO-CHEM LTD.
Company Registration No.	197401961C
Announcement submitted on behalf of	LERENO BIO-CHEM LTD.
Announcement is submitted with respect to *	LERENO BIO-CHEM LTD.
Announcement is submitted by *	Barbara Seng Suet Shee
Designation *	Company Secretary
Date & Time of Broadcast	12-Jul-2007 18:40:37
Announcement No.	00111

>> Announcement Details
 The details of the announcement start here ...

Announcement Title * PRELIMINARY AGREEMENT AND SUPPLEMENTAL DEED IN CONNECTION WITH, INTER ALIA, A NEW CAPITAL INJECTION BY LERENO BIO-CHEM LTD AMOUNTING TO AN AGGREGATE VALUE OF USD 3,790,500 IN RENO PACIFIC PLANTATIONS PTE LTD

Description

Attachments:
 ProposedNewShareCapitalInjection2RenoPac.pdf
 Total size = **124K**
 (2048K size limit recommended)

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LERENO BIO-CHEM LTD

(Company Registration No.197401961C)
Incorporated in the Republic of Singapore

PRELIMINARY AGREEMENT AND SUPPLEMENTAL DEED IN CONNECTION WITH, INTER ALIA, A NEW CAPITAL INJECTION BY LERENO BIO-CHEM LTD AMOUNTING TO AN AGGREGATE VALUE OF USD 3,790,500 IN RENO PACIFIC PLANTATIONS PTE LTD ("RENOPAC") WHICH WILL BE UTILISED AS PART OF THE PAYMENT CONSIDERATION IN RELATION TO THE ACQUISITION BY RENOPAC OF (I) 14,000 ORDINARY SHARES REPRESENTING 70% OF THE ISSUED AND PAID UP SHARE CAPITAL OF PT. TRANSPACIFIC AGRO INDUSTRY ("TPAI"), AND (II) 350 ORDINARY SHARES REPRESENTING 70% OF THE ISSUED AND PAID UP SHARE CAPITAL OF PT. CITRA INDO NIAGA ("CIN")

1. Introduction

The Board of directors (the "**Board**") of Lereno Bio-Chem Ltd (the "**Company**") wishes to announce that the Company had:

- (a) on 10 July 2007, entered into a preliminary agreement (the "**Preliminary Agreement**"); and
- (b) on 11 July 2007, for the purposes of amending and supplementing certain terms contained in the Preliminary Agreement, entered into a supplemental deed

(collectively, the "**Agreements**"), with PT. Transpacific Investama, Reno Plantation Holdings Pte Ltd ("**RPH**"), Reno Pacific Plantations Pte Ltd ("**RENOPAC**"), Mr. Suganda Setiadikurnia ("**SGS**") and Ms. Suherning Setiadikumia ("**SNS**") in connection with negotiations for the purposes of, *inter alia*, a new capital injection by the Company amounting to an aggregate value of USD 3,790,500 in RENOPAC subject to amongst other things, the satisfactory completion of legal and financial due diligence conducted on TPAI and CIN by the Company and at least two independent valuations conducted on TPAI and CIN (one arranged by RPH and one arranged by the Company) being obtained, with the results of the valuation being arranged by the Company being satisfactory. These will also be subject to any other regulatory and/or shareholders' approvals (if required).

RENOPAC is currently a S\$100 dormant shell company with the Company currently holding 25% of the issued and paid-up share capital of RENOPAC and RPH currently holding 75% of the issued and paid-up share capital of RENOPAC.

2. Salient Terms and Effects of the Agreements

The salient terms and effects of the Agreements are as follows:

- (a) **Changes in Shareholding Structure of RENOPAC**

The shareholding structure of RENOPAC will be restructured through the issue of new shares to RPH. As a result of this, the Company, which currently holds 25%

of the issued and paid-up share capital of RENOPAC, will hold 19% of the enlarged issued and paid-up share capital of RENOPAC. At the same time, RPH, which currently holds the remaining 75% of the issued and paid-up share capital of RENOPAC, will hold 81% of the enlarged issued and paid-up share capital of RENOPAC.

(b) Capital Injection

The Company shall inject new capital in RENOPAC amounting to an aggregate value of USD 3,790,500 ("**Capital Injection**") which will be utilised as part of the payment consideration in relation to the Proposed TPAI Acquisition and the Proposed CIN Acquisition, subject to, *inter alia*;

- (i) the satisfactory completion of legal and financial due diligence conducted on TPAI and CIN by the Company; and
- (ii) at least two independent valuations conducted on TPAI and CIN (one arranged by RPH and one arranged by the Company) being obtained.

As the Company will be holding 19% of the enlarged issued and paid-up share capital of RENOPAC, the Capital Injection of USD 3,790,500 by the Company is calculated based on 19% of the aggregate purchase consideration of USD 19,950,000 for both the Proposed TPAI Acquisition and the Proposed CIN Acquisition by RENOPAC.

(c) Rationale for the Agreements

The Board believes that the Capital Injection is in line with its announced strategic business plan to move upstream into the business of acquiring and owning oil palm plantations and to secure its feedstock supplies for its Biofuel business. The Company expects the sale and purchase agreements in relation to the Proposed TPAI Acquisition and the Proposed CIN Acquisition by RENOPAC to be formally signed soon.

3. Acquisition of RPH's shares in TPAI and CIN by RENOPAC

(a) Under the Agreements, it is agreed, *inter alia*, that:

- (i) RENOPAC will acquire 70% of the issued and paid up share capital of TPAI from RPH for an aggregate consideration of USD 7,000,000 (the "**Proposed TPAI Acquisition**");
- (ii) RENOPAC will acquire 70% of the issued and paid up share capital of CIN from RPH for an aggregate consideration of USD 12,950,000 (the "**Proposed CIN Acquisition**"); and

- (iii) There will be sale and purchase agreements to be entered into between RENOPAC and RPH in relation to the Proposed TPAI Acquisition and the Proposed CIN Acquisition following the satisfactory completion of, *inter alia*, the legal and financial due diligence to be conducted on TPAI and CIN. All transactions contemplated by the Agreements, the Proposed TPAI Acquisition and the Proposed CIN Acquisition will be subject to the approvals of RPH and RENOPAC's Board of Directors and/or the shareholders (if required).

(b) **Information on TPAI**

TPAI was incorporated on 27 February 1997. It's establishment has been approved by the Minister of Justice of the Republic of Indonesia, No. C2-7650.HT.01.01.TH.97 dated 6 August 1997.

TPAI was incorporated for the purpose of, *inter alia*, entering into businesses of Palm Plantation and Sugar Cane industries including the marketing of such produce. TPAI is incorporated and domiciled in Jakarta, Indonesia. The Palm Plantation is located in the Region of Banyuasin South Sumatera Province, Indonesia. Pursuant to the Licenses obtained by TPAI, the area of the Plantation is 20,000 ha. TPAI is planning to build a palm oil factory and a palm essences manufacturing factory within the Plantation's location.

(c) **Information on CIN**

CIN was incorporated on 15 August 2005. It's establishment has been approved by the Minister of Justice and Human Rights of the Republic of Indonesia, No. C-25003.HT.01.01.TH.2005 on 9 September 2005.

CIN was incorporated for the purpose of, *inter alia*, entering into business of Palm Plantation Industry including marketing its produce. CIN is incorporated and domiciled in Jakarta, Indonesia. The Palm Plantations are located in the Region of Banyuasin, Palembang, South Sumatera Province and Tanjung Jabung Timur, Jambi Province, Indonesia. Pursuant to the Licenses obtained by CIN, the area of the Plantations are 15,000 ha in Banyuasin and 22,000 ha in Tanjung Jabung Timur.

4. (a) **Interested Person Transaction**

As at the date of this Announcement, Ms Dawn Kong Oi Yi (a director and 20% shareholder of RPH) is the daughter of Mr Kong Mun Kwong, an Executive Director of the Company; and SNS (a director and 41% shareholder of RPH) is the sister of SGS, the Vice Chairman and Non-Executive Director of the Company. Accordingly, pursuant to Chapter 9 of the Listing Manual, Ms Dawn Kong Oi Yi and SNS are considered "interested persons" and the Capital Injection constitutes an "interested person transaction".

The value of the interested person transaction (as described above) exceeds 5% of the latest audited consolidated net tangible assets of the Company as at 31 March 2007. The Company will therefore convene an extraordinary general meeting to seek the approval of the shareholders for the interested person transaction (as described above) as required under Rule 906 of the Listing Manual at the appropriate time.

(b) Interests of Directors and Controlling Shareholders in the Agreements

Ms Dawn Kong Oi Yi is a director and shareholder of RPH and is also a director of RENOPAC. SNS is a director and shareholder of RPH and is also a director of RENOPAC.

Save as disclosed above, none of the directors (other than in his capacity as a director or shareholder of the Company) or controlling shareholders of the Company has any interest, direct or indirect, in the Agreements.

(c) Further Announcement

Further details in respect of the Proposed TPAI Acquisition and the Proposed CIN Acquisition will be announced when the sale and purchase agreement for the Proposed TPAI Acquisition and the sale and purchase agreement for the Proposed CIN Acquisition are completed.

By Order of the Board

Ong Puay Koon
Managing Director & Chief Executive Officer
12 July 2007