

PRESS RELEASE
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**Straits' Unit Embarks On A Massive ESG Project With
Management Council Of Terengganu State Parks At Setiu Wetlands
State Park,
In Support of Climate Action & Biodiversity**

*ESG initiative involves planting 100,000 Pokok Gelam trees across
a land area spanning 200 acres, the equivalent of 113 soccer fields*

KUALA LUMPUR - 11 December 2023 - Straits Energy Resources Berhad 海峡能源有限公司 (“Straits” or “Company”), a Bursa Malaysia-listed company, announced today that its subsidiary, **Benua Hijau Sdn Bhd** (“Benua Hijau), had on 10 December 2023 signed a Memorandum of Understanding (MoU) with the **Management Council Of Terengganu State Parks** (“MPTN”) and the **Setiu Land Office**, two bodies under the jurisdiction of the Terengganu State Government, for a multi-year reforestation project to restore degraded forest areas in the Setiu Wetlands State Park, one of the largest natural wetland in the East Coast region of Peninsular Malaysia.

Dato’ Sri Ron Ho Kam Choy, Managing Director of Straits Energy Resources Berhad, said:

"Firstly, I would like to thank Yayasan DiRaja Sultan Mizan for opening the door for this ESG collaboration with MPTN, to kick-start this project. We are thrilled to sign this MoU with MPTN and the Setiu Land Office for this large-scale reforestation project that will be spearheaded by our CSR and ESG-focused subsidiary, Benua Hijau.

This ESG initiative involves taking important action on the ground, which will give us a high level of involvement and visibility into our projects and help us ensure we make a quantifiable positive impact. In line with this, Benua Hijau will be involved in physical ground work at Setiu Wetlands, releasing MPTN’s resources that can now be deployed to other important areas.

We view this project as a critical step towards not only restoring the natural beauty of the Setiu Wetlands, but also contributing to the global fight against climate change. In addition,

the reforestation of Tasik Berombak will unlock valuable economic opportunities, through the production of sustainable forest resources, ecotourism, and a local cottage industry. This, in turn, will create job opportunities for locals from the surrounding community.

We would like to thank MPTN and the Setiu Land Office for this opportunity to make a meaningful impact, which aligns with our long-term values and commitment to building an environmentally, economically and socially sustainable business. We look forward to making this a truly win-win collaboration.”

Benua Hijau, a 51%-owned unit of Straits, is focused on the development and execution of environmental and social sustainability initiatives.

As part of this reforestation project, Benua Hijau plans to plant 100,000 *Pokok Gelam* (melaleuca) trees across a land area of 200 acres, the equivalent of 113 soccer fields. The reforestation activities, which will take place over five years, will be focused on a designated area surrounding Tasik Berombak within Setiu Wetlands. Tasik Berombak is one of the largest freshwater lakes and *Gelam* ecosystems in Malaysia’s East Coast region.

Benua Hijau will coordinate activities across this designated area, including the physical planting of the trees and community engagement activities. Benua Hijau will also invest in the setting up of a dedicated nursery and research center to prepare *Gelam* saplings and study the *Gelam* ecosystem and value chain.

More about the Setiu Wetlands State Parks Reforestation Project

Spanning over 50,000 acres, the Setiu Wetlands is made up of forests lining riverbanks, freshwater *Pokok Gelam* swamps, peat swamps, mangroves, brackish water lagoons with vegetated sand islands, seagrass beds and sandy beaches. It is the only wetland in Malaysia with nine interconnected, biodiverse ecosystems - the sea, beach, mudflat, lagoon, estuary, river, islands, coastal forest and mangrove forest.

While still at a preliminary stage of planning, the reforestation project is expected to address four of the United Nations Sustainable Development Goals (SDGs) – namely; protecting and restoring life on land (SDG 15), taking action to combat climate change and its impact (SDG

13), promoting good health (SDG 3) by removing pollutants from the air, and creating economic growth opportunities (SDG 8) through potential business activities such as the sustainable production of honey, essential oil and wood. A full description of the SDGs can be found here (<https://sdgs.un.org/goals>).

Trees absorb carbon dioxide (CO₂), removing and storing the carbon while releasing the oxygen back into the air. This means that forests absorb carbon – like a giant sponge – into what scientists call a carbon sink. According to the U.S. Forest Service, global forests removed about one-third of fossil fuel emissions annually from 1990 to 2007.

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For further media enquiries, please contact:

Anthony Lee

Tel: +6012 338 3705

Email: anthony@leesense.com

Chen Ai Wei

Tel: +6019 335 0398

Email: aiwei@leesense.com