



Barama Company Limited

News Release

Barama temporarily closes plywood mill due to supply shortfall; ramps up sawmill production while reducing log export

LAND OF CANAAN, GUYANA, December 03, 2007 – Barama Company Limited (“BCL” or the “company”) will temporarily close its plywood mill at Land of Canaan, Guyana this week due to insufficient supply of peeler logs which is required for plywood processing. The factory will be closed for a few months to allow the company time to accumulate and build up stock of Baromalli, the main species of peeler logs used for plywood processing. At the same time, the company has commenced discussions and negotiations with various forestry companies to purchase similar peeler logs. These parties will require some time to plan and harvest such logs.

BCL will offer staff the option of transferring to the company’s new sawmill lines at Buckhall, Guyana where we are planning substantial increase in production. This is in line with our corporate strategy to increase value-added production in Guyana and to reduce log exports correspondingly. The company will comply with all the existing laws on worker severance and compensate employees accordingly.

“The decision to temporary close the plywood facility is very unfortunate and reflects the severe supply shortfall of peeler logs,” said Peter Ho, chief executive officer of Barama Company Limited. “Our stock of peeler logs has depleted and we will try our best to resume plywood production as soon as we are able to establish sufficient stock. It is very difficult to sustain our business at such low production levels coupled with high operating costs.”

BCL is also engaging customers and informing them of this supply shortfall. “Barama has worked hard over the years to promote the Baromalli species to customers and we hope customers will understand our predicament,” Ho said.
