

**BANYAN TREE HOLDINGS LIMITED**

(Company Registration Number 200003108H)

**Dispute Regarding Bahrain Management Agreement**

The Board of Directors of Banyan Tree Holdings Limited ("BTH" or "Company") wishes to announce that its wholly-owned subsidiary, Banyan Tree Hotels & Resorts Pte. Ltd. ("BTHR") has filed a petition in the Kingdom of Bahrain to wind-up Al Areen Desert Spa and Resorts Holding Company B.S.C. (closed) now known as Al Areen Holding Co. B.S.C (closed) ("Al Areen"), which is the owner of Banyan Tree Bahrain, for an outstanding debt of S\$1,122,000 that Al Areen failed to pay BTHR pursuant to the Hotel Management Agreement dated March 19, 2005 ("HMA") and Settlement Agreement dated November 17, 2009 between Al Areen and BTHR.

The winding-up proceedings may be completed this year or in a subsequent year. BTHR may be successful in the winding-up proceedings but may not be successful in recovering any amounts from it. If BTHR is successful in the winding-up proceedings, the HMA will be terminated as a consequence. If BTHR is not successful in recovering any amounts from the winding-up proceedings, the net tangible assets and earnings per share of BTH will be reduced by S\$0.0015.

The Company will, where necessary, announce any further material development relating to its claim against Al Areen and the winding-up proceedings.

Jane Teah

Company Secretary

10 March 2010