



**Chemoil Energy Limited**  
**Unaudited Financial Information**  
**For the 3rd Quarter and Nine Months ended 30 September 2007**

**1. (a)(i) Consolidated Income Statement**

	GROUP			GROUP		
	Jan – Sept 2007 US\$'000	Jan – Sept 2006 US\$'000	% Increase/ (Decrease)	July – Sep 2007 US\$'000	July – Sep 2006 US\$'000	% Increase/ (Decrease)
<b>Revenue</b>	3,914,353	3,257,849	20	1,600,861	1,219,943	31
Other gains/(losses) – net (See Note 1.(a)(ii))	(38,031)	44,289	N/M	(7,260)	42,607	N/M
<b>Expenses</b>	<b>3,876,322</b>	<b>3,302,138</b>	17	<b>1,593,601</b>	<b>1,262,550</b>	26
- Inventories recognised as an expense	3,688,011	3,106,188	19	1,532,856	1,182,656	30
- Barging and pipeline costs	40,859	32,335	26	16,654	12,736	31
- Chartering expenses	15,032	23,491	(36)	4,522	6,857	(34)
- Rentals on other operating leases	30,796	23,797	29	10,757	12,555	(14)
- Demurrage costs	14,070	9,163	54	6,208	3,785	64
- Employee Benefits	13,501	11,811	14	3,975	3,623	10
- Marketing and communication expenses	3,255	2,194	48	1,230	1,431	(14)
- Service and commission expenses	8,529	7,865	8	3,282	2,975	10
- Other expenses	22,552	12,774	77	7,787	4,740	64
- Depreciation and amortisation	5,792	2,420	N/M	2,942	818	N/M
- Finance expense	17,854	14,979	19	7,408	6,246	19
- Public offering costs	-	3,250	N/M	-	3,250	N/M
Total expenses	<b>3,860,251</b>	<b>3,250,267</b>	19	<b>1,597,621</b>	<b>1,241,672</b>	29
Share of associates and joint ventures results – net	2,218	962	N/M	(308)	(755)	(59)
<b>Profit/(loss) before income tax</b>	<b>18,289</b>	<b>52,833</b>	(65)	<b>(4,328)</b>	<b>20,123</b>	N/M
Income tax expense	(2,356)	(8,723)	(73)	1,792	(1,176)	N/M
<b>Profit/(loss) after tax</b>	<b>15,933</b>	<b>44,110</b>	(64)	<b>(2,536)</b>	<b>18,947</b>	
Attributable to:						
Equity holders of the Company	15,843	44,106	(64)	(2,626)	18,941	N/M
Minority interest	90	4	N/M	90	6	N/M

N/M: not meaningful

1.(a)(ii) Notes to the Consolidated Income Statement

	Group			Group		
	Jan – Sep 2007 US\$'000	Jan – Sep 2006 US\$'000	% Increase/ (Decrease)	Jul – Sep 2007 US\$'000	Jul – Sep 2006 US\$'000	% Increase/ (Decrease)
<b><u>Other gains/(losses) – net includes the following</u></b>						
(a) Interest income	4,257	3,231	32	1,051	456	N/M
(b) Gain on disposal of subsidiaries	-	236	N/M	-	236	
(c) Gain on partial disposal of associates	-	71	N/M	-	-	N/M
(d) Gain on disposal of financial assets held at fair value through profit or loss	193	-	N/M	193	-	N/M
(e) Gain on disposal of Property, plant and equipment	6,484	-	N/M	6,484	-	N/M
(f) Foreign exchange gain/(loss)	(236)	(238)	2	(297)	(258)	(19)
(g) Fair value losses on other financial assets at fair value through profit or loss	121	-	N/M	116	-	N/M
(h) Derivatives financial instruments – net (loss)/ gain (See Note a and b )	(48,850)	40,989	N/M	(14,807)	42,173	N/M
<b>Total</b>	<b>(38,031)</b>	<b>44,289</b>		<b>(7,260)</b>	<b>42,607</b>	

N/M: not meaningful

**Note:-**

- a) The Group enters into derivative contracts in the form of swaps and futures in order to mitigate the risk of market price fluctuations in marine fuel. These derivatives are generally used to hedge our physical inventory or an underlying transaction. Gains or losses on these instruments are recognised in other gains/(losses) net. These gains or losses should not be considered in isolation but in conjunction with the costs of physical inventories shown as “Inventories recognised as expense” in the income statement as they are essentially hedges against price movements on these inventories.
- b) Derivatives financial instruments – the difference between the first nine months ended Sep 2007 as compared to the first nine months ended Sep 2006 was US\$89.9 million. Out of this difference, \$57.0 million was incurred during the third quarter. This was due to a steeper price movement and higher level of inventories which were hedged in 2007 as compared to 2006. Against these derivative losses, there are physical gains which are already recognized in the financial statements.

	GROUP			COMPANY		
	30-Sep-07 US\$'000	31-Dec-06 US\$'000	% Increase/ (Decrease)	30-Sep-07 US\$ '000	31-Dec-06 US\$'000	% Increase/ (Decrease)
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and bank balances	119,100	49,573	N/M	69,815	9,233	N/M
Derivative financial instruments	2,915	10,671	(73)	-	-	N/M
Other financial assets at fair value through profit or loss	451	838	(46)	-	-	-
Income tax recoverable	2,628	3,637	(28)	-	-	-
Other current assets	17,390	23,161	(25)	288	17,248	(98)
Trade and other receivables	480,901	319,887	50	78,006	90,306	(14)
Inventories	234,123	169,936	38	-	-	-
	<b>857,508</b>	<b>577,703</b>		<b>148,109</b>	<b>116,787</b>	
<b>Non-current assets</b>						
Other non-current assets	2,707	3,055	(11)	21	-	-
Investments in associates	31,401	22,209	41	25,137	18,883	33
Investments in joint ventures	7,972	-	-	7,835	-	-
Investments in subsidiaries	-	-	-	17,635	17,247	2
Intangible assets	1,817	1,626	12	-	-	-
Property, plant and equipment	168,880	16,922	N/M	2	-	-
Deferred income tax assets	2,174	267	N/M	-	-	-
	<b>214,951</b>	<b>44,079</b>		<b>50,630</b>	<b>36,130</b>	
<b>Total assets</b>	<b>1,072,459</b>	<b>621,782</b>		<b>198,739</b>	<b>152,917</b>	
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	339,418	186,364	82	12,179	1,406	N/M
Derivative financial instruments	9,337	2,016	N/M	534	-	N/M
Current income tax liabilities	1,911	3,155	(39)	-	-	-
Borrowings	344,591	135,593	N/M	18,393	8,890	N/M
Provisions for other liabilities and charges	1,624	2,526	(36)	-	-	-
	<b>696,881</b>	<b>329,654</b>		<b>31,106</b>	<b>10,296</b>	
<b>Non-current liabilities</b>						
Borrowings	132,071	51,357	N/M	34,883	33,753	3
Deferred income tax liabilities	4,044	4,455	(9)	-	-	-
	<b>136,115</b>	<b>55,812</b>		<b>34,883</b>	<b>33,753</b>	
<b>Total liabilities</b>	<b>832,996</b>	<b>385,466</b>		<b>65,989</b>	<b>44,049</b>	
<b>NET ASSETS</b>	<b>239,463</b>	<b>236,316</b>		<b>132,750</b>	<b>108,868</b>	

	GROUP			COMPANY		
	30-Sep-07 US\$'000	31-Dec-06 US\$'000	% Increase/	30-Sep-07 US\$ '000	31-Dec-06 US\$'000	% Increase/ (Decrease)
<b>EQUITY</b>						
Share capital	2	2	-	2	2	-
Share premium	85,816	85,816	-	85,816	85,816	-
Merger reserve	3,529	3,529	-	-	-	-
Other reserves	348	222	N/M	150	41	N/M
Retained earnings	149,664	146,747	2	46,782	23,009	N/M
	<b>239,359</b>	<b>236,316</b>		<b>132,750</b>	<b>108,868</b>	
Minority interest	<b>104</b>	<b>0</b>		-	-	
<b>Total equity</b>	<b>239,463</b>	<b>236,316</b>		<b>132,750</b>	<b>108,868</b>	

### 1.(b)(ii) Aggregate amount of Group's Borrowings and Debt securities

	30-Sep-07 (in US\$000)		31-Dec-06 (in US\$000)	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	344,591	-	126,993	8,600
Amount repayable after one year	132,071	-	51,357	-
<b>Total</b>	<b>476,662</b>	<b>-</b>	<b>178,350</b>	<b>8,600</b>
	30-Sep-2007 US'000		31-Dec-06 US'000	
<b>Details of any collaterals</b>				
Secured on current assets of subsidiaries		47,703		15,164
Secured on property, plant and equipment and lease rentals of subsidiaries		141,396		57,480
Secured against trade receivables under a receivables purchase agreement of subsidiaries (See Note a below)		214,831		83,916
Secured on bank balances and deposits, trade and other receivables and inventories of subsidiaries		72,618		21,703
Secured on motor vehicles of subsidiaries (See Note b below)		114		87
<b>Total</b>		<b>476,662</b>		<b>178,350</b>

**Note: (in US\$ 000)**

- The gross amounts of trade receivables secured under the receivables purchase agreement is US\$ 233,343(As at 31 December 2006: US\$140,810)
- Motor Vehicles have a carrying amount of US\$196 (As at 31 December 2006: US\$132)

## 1.(c) Consolidated Cash Flow Statements

(In US \$'000, unless otherwise stated)	<b>GROUP</b>			
	<b>YTD Sep 2007</b>	<b>YTD Sep 2006</b>	<b>Q3 2007</b>	<b>Q3 2006</b>
<b>Cash flows from operating activities</b>				
<b>Profit after tax</b>	15,933	44,110	(2,536)	18,947
Adjustments for:				
Tax expense	2,356	8,723	(1,792)	1,176
Share option expenses	642	-	212	-
Depreciation and amortisation	5,792	2,420	2,942	818
Net Gain on disposal of property, plant and equipment	(6,484)	-	(6,484)	-
Gain on disposal of associates	-	(71)	-	-
Gain on disposal of subsidiaries	-	(236)	-	(236)
Gain on disposal of other financial assets at fair value through profit or loss	(193)	-	(193)	-
Fair value gains on other financial assets at fair value through profit or loss	(121)	-	(116)	-
Share of associates' results	(2,082)	(962)	521	755
Share of (profits) from Investments in Joint ventures	(136)	-	(213)	-
Interest income	(4,257)	(3,231)	(1,051)	(456)
Finance expense	17,854	14,979	7,407	6,246
<b>Operating cash flow before working capital changes</b>	<b>29,304</b>	<b>65,732</b>	<b>(1,302)</b>	<b>27,250</b>
Changes in operating assets and liabilities				
Derivative financial instruments	14,544	(15,290)	181	(15,697)
Other assets	7,006	2,320	41,851	(1,273)
Trade and other receivables	(159,645)	(21,383)	(82,179)	(24,123)
Inventories	(61,205)	(56,836)	52,133	(53,545)
Trade and other payables	149,949	(10,744)	21,968	113,697
Provisions for other liabilities and charges	(902)	(432)	(191)	(339)
<b>Cash used in operations</b>	<b>(20,949)</b>	<b>(36,633)</b>	<b>32,461</b>	<b>45,970</b>
Income tax paid	(4,992)	(11,720)	(508)	(2,643)
<b>Net cash generated from/(used in) operating activities</b>	<b>(25,941)</b>	<b>(48,353)</b>	<b>31,953</b>	<b>43,327</b>
<b>Cash flows from investing activities</b>				
Purchase of other financial assets at fair value through profit or loss	-	(508)	-	(32)
Purchases of property, plant & equipment	(168,035)	(1,331)	(123,494)	(469)
Proceeds from disposal of property, plant and equipment	26,235	-	26,235	-
Proceeds from disposal of investment in associates	34	273	34	66
Capital reduction of an associate	-	300	-	-
Acquisition of subsidiaries, net of cash received	(11,639)	(21,801)	(3,212)	-
Proceeds from disposal of subsidiaries, net of cash disposed of	-	(297)	-	(297)
Acquisition of associates	(7,817)	(2,798)	(7,817)	-
Acquisition of Investments in JV's	(7,835)	-	-	-
Proceeds from disposal of other financial assets at fair value through profit or loss	700	-	700	-
Loan repayments received from a related party	-	4,000	-	4,000

Interest received	4,257	3,231	1,050	456
Dividends received from associates	633	1,518	48	57
<b>Net cash (used in)/generated from investing activities</b>	<b>(163,467)</b>	<b>(17,413)</b>	<b>(106,456)</b>	<b>3,781</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	277,590	111,955	137,220	15,117
Repayments of borrowings	(28,376)	(17,301)	(1,537)	(1,497)
Proceeds from issue of shares	-	-	-	-
Interest paid	(17,854)	(14,979)	(7,408)	(6,246)
Bank balances and deposits pledged with banks for bank loans	5,527	(1,349)	(1,516)	312
Dividends paid to shareholders	(12,926)	(11,000)	-	(5,000)
<b>Net cash generated from financing activities</b>	<b>223,961</b>	<b>67,326</b>	<b>126,759</b>	<b>2,686</b>
<b>Net increase in cash and cash equivalents</b>	<b>34,553</b>	<b>1,560</b>	<b>52,256</b>	<b>49,794</b>
Cash and cash equivalents at beginning of financial period	17,365	50,210	(338)	1,976
<b>Cash and cash equivalents at end of financial period</b>	<b>51,918</b>	<b>51,770</b>	<b>51,918</b>	<b>51,770</b>
Comprising:				
Cash and bank balances	119,100	64,252	119,100	64,252
Bank balances & deposits pledged with banks loans	(4,979)	(4,816)	(4,979)	(4,816)
Bank overdrafts	(62,203)	(6,974)	(62,203)	(6,974)
Restricted Cash		(692)		(692)
<b>Total</b>	<b>51,918</b>	<b>51,770</b>	<b>51,918</b>	<b>51,770</b>

### 1.(d)(i) Statements of Changes in Equity

	Attributable to equity holders of the Company						
	Share capital	Merger Reserves	Share premium	Other reserves	Retained earnings	Minority Interest	Total Equity
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
<b>GROUP – NINE MONTHS</b>							
<b>Balance at 1 January 2007</b>	2	3,529	85,816	222	146,747	-	236,316
Currency translation differences recognised directly in equity	-	-	-	17	-	-	17
Cash flow hedges-Fair value losses	-	-	-	(533)	-	-	(533)
<b>Total recognised income for the period</b>	-	-	-	(516)	15,843	90	15,417
Employee share option scheme:							
- Value of services rendered	-	-	-	642	-	-	642
Dividend relating to 2006	-	-	-	-	(12,926)	-	(12,926)
Acquisition of a Subsidiary						14	14
<b>Balance as at 30th Sep 2007</b>	2	3,529	85,816	348	149,131	104	239,463
<b>Balance at 1 January 2006</b>	2	3,529	-	121	99,903	176	103,731
Currency translation differences recognised directly in equity	-	-	-	(8)	-	4	(4)
Profit for the period	-	-	-	-	44,106	4	44,110
<b>Total recognised income for the period</b>	-	-	-	(8)	44,106	8	44,106
Dividend relating to 2005	-	-	-	-	(11,000)	-	(11,000)
Acquisition/(Disposal) of a subsidiary	-	-	-	-	-	(184)	(184)
<b>Balance as at 30th Sep 2006</b>	2	3,529	-	113	133,009	0	136,653

**1.(d)(i) Statements of Changes in Equity (continued)**

<b>COMPANY - NINE MONTHS</b>	Share capital US\$000	Share premium US\$000	Other reserves US\$000	Retained earnings US\$000	Total equity US\$000
<b>Balance at 1 January 2007</b>	2	85,816	41	23,009	108,868
Cash flow hedges- Fair value losses	-	-	(533)		(533)
Profit for the period	-	-	-	36,699	36,699
<b>Total recognised income for the period</b>	-	-	(533)	36,669	36,166
Employee share option scheme: - Value of services rendered	-	-	642	-	642
Dividend relating to 2006	-	-	-	(12,926)	(12,926)
<b>Balance as at 30th Sep 2007</b>	2	85,816	150	46,782	132,750
<b>Balance at 1 January 2006</b>	2	-	-	3,010	3,012
Profit for the period	-	-	-	7,177	7,177
<b>Total recognised income for the period</b>	-	-	-	7,177	7,177
Dividend relating to 2005 (See Note a)	-	-	-	(1,000)	(1,000)
<b>Balance as at 30th Sep 2006</b>	2	-	-	9,187	9,189

a) During the period an additional dividend of US\$10 million was paid by a company treated as a subsidiary pursuant to the adoption of merger accounting

**1.(d)(i) Statements of Changes in Equity (continued)**

	Attributable to equity holders of the Company						
	Share capital US\$000	Merger Reserves US\$000	Share premium US\$000	Other reserves US\$000	Retained earnings US\$000	Minority interest US\$000	Total Equity US\$000
<b>GROUP - 3rd QUARTER</b>							
<b>Balance as at 30th June 2007</b>	2	3,529	85,816	766	152,291	-	242,404
Cash flow hedges – Fair value losses	-	-	-	(533)	-	-	(533)
Currency translation differences recognised directly in equity	-	-	-	(97)	-	-	(97)
Profit/(loss) for the period	-	-	-	-	(2,626)	90	(2,536)
<b>Total recognised income for the period</b>	-	-	-	(630)	(2,626)	90	(3,166)
Employee share option scheme:							
- Value of services rendered	-	-	-	212	-	-	212
Dividend relating to 2006	-	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	14	14
<b>Balance as at 30th September 2007</b>	2	3,529	85,816	348	149,665	104	239,463
<b>Balance as at 30th June 2006</b>	2	3,529	-	80	114,068	176	117,855
Currency translation differences recognised directly in equity	-	-	-	33	-	2	35
Profit for the period	-	-	-	-	18,941	6	18,947
<b>Total recognised income for the period</b>	-	-	-	33	18,941	8	18,982
Dividend relating to 2005	-	-	-	-	-	-	-
Disposal of Subsidiaries	-	-	-	-	-	(184)	(184)
<b>Balance as at 30th September 2006</b>	2	3,529	-	113	133,009	-	136,653

**1.(d)(i) Statements of Changes in Equity (continued)**

<b>COMPANY - 3rd QUARTER</b>	Share capital US\$000	Share premium US\$000	Other reserves US\$000	Retained earnings US\$000	Total equity US\$000
<b>Balance at 30th June 2007</b>	2	85,816	469	46,548	132,835
Cash flow hedges- Fair value losses	-	-	(533)		(533)
Profit/(loss) for the period	-	-	-	234	234
<b>Total recognised income for the period</b>	-	-	(533)	234	(299)
Employee share option scheme:	-	-	-	-	-
- Value of services rendered	-	-	214	-	214
Dividend relating to 2006	-	-	-	-	-
<b>Balance as at 30th September 2007</b>	2	85,816	150	46,782	132,750
<b>Balance at 30th June 2006</b>	2	-	-	9,935	9,937
Profit/(loss) for the period	-	-	-	(748)	(748)
<b>Total recognised income for the year</b>	-	-	-	(748)	(748)
Dividend relating to 2005	-	-	-	-	-
<b>Balance as at 30th September 2006</b>	2	-	-	9,187	9,189

**1 (d) (ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Nil

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The financial information has not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

**4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied.**

Except as disclosed under item 5, the Group has applied the same accounting policies and methods of computation in the financial information for the current reporting period compared with the last audited financial statements as at 31 December 2006.

**5. If there are any changes in the accounting policies and methods of computation, what has changed, as well as the reasons for, and the effect of the change.**

The Group has adopted the following amendments and interpretations to the International Financial Reporting Standards, which are relevant to its operations.

- IFRIC 8 Scope of IFRS 2 (Effective from 1<sup>st</sup> January 2007)
- IFRIC 10 Interim Financial Reporting and Impairment (effective from 1<sup>st</sup> January 2007)
- IFRS 7 Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from 1<sup>st</sup> January 2007)

The adoption of the above mentioned amendments and interpretations did not materially affect the results of the Group.

## 6. Earning per Ordinary Share

<b>Earnings per ordinary share</b>	<b>Jan – Sep 2007</b>	<b>Jan – Sep 2006</b>	<b>Jul – Sep 2007</b>	<b>Jul - Sep 2006</b>
(a) Based on weighted average number of ordinary shares on issue (US cents per share)	1.226	4.010	(0.203)	1.720
(b) On fully diluted basis (US cents per share)	1.216	4.010	(0.202)	1.720

## 7. Net Asset Value

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-07</b>	<b>31-Dec-06</b>	<b>30-Sep-07</b>	<b>31-Dec-06</b>
Net asset value per ordinary share based on issued share capital (US cents per share)	18.53	18.28	10.27	8.42

## 8. Review of the Performance of the Group

Nine months ended 30<sup>th</sup> Sep 2007 compared to the Nine months ended 30<sup>th</sup> Sep 2006  
 3<sup>rd</sup> Quarter ended 30<sup>th</sup> Sep 2007 (Q3 2007) compared to the 3<sup>rd</sup> Quarter ended 30<sup>th</sup> Sep 2006  
 (Q3 2006)

	Jan – Sep 2007	Jan – Sep 2006	% Increase/ Decrease	Jul – Sep 2007	Jul – Sep 2006	% Increase/ Decrease
<b>Volumes - MTs million</b>	11.5	9.9	16.8	4.2	3.8	10.5
<b>Average sales value per MT - US\$</b>	336.41	325.68	3.3	379.10	317.06	19.6
<b>Average purchase cost per MT – US\$ (see note a)</b>	324.44	310.69	4.4	369.50	300.10	23.1
<b>Gross contribution US\$ million (see note b)</b>	68.2	96.0	(29.0)	11.8	40.6	(70.9)
<b>Gross contribution per MT - US\$</b>	5.92	9.73	(39.0)	2.8	10.67	(73.7)
<b>Revenue - US\$ million</b>	3,914	3,258	20.2	1,601	1,220	31.2
<b>Profit before tax - US\$ million</b>	18.3	52.8	(65.4)	(4.3)	20.1	N/M
<b>Profit after tax – US\$ million</b>	15.9	44.1	(63.9)	(2.5)	18.9	N/M
<b>Earnings per share in US cents – basic</b>	1.226	4.010	(69.4)	(0.203)	1.720	N/M
<b>- diluted</b>	1.216	4.010	(69.7)	(0.202)	1.720	N/M

MT = Metric ton

Note: a) Average purchase cost includes the gains or losses on commodity swaps and futures.

b) Gross contribution is calculated as revenue minus derivative financial instruments (gains)/losses net, inventories recognised as an expense, barging and pipeline costs, chartering expenses, rentals on operating leases, demurrage costs and service and commission expenses.

## **Consolidated Income Statement**

Chemoil achieved revenue growth of 31% from US\$ 1.22 billion in the 3<sup>rd</sup> quarter 2006 (“3Q2006”) to US\$1.60 billion in 3<sup>rd</sup> quarter 2007 (“3Q2007”). For the 9 months ended September 2007 (“9M 2007”), the company’s revenue growth was 20%, rising from US\$3.26 billion in the 9 months ended September 2006 (“9M 2006”) to US\$ 3.91 billion.

### **3<sup>rd</sup> Quarter**

The growth in volume was 10% from 3.8 million metric tons in 2006 to 4.2 million metric tons in 2007 mainly driven by increased cargo and increases in retail sales at Houston, New York and Panama. However volumes at Singapore and Long Beach were lower.

Average sales value during the quarter was higher by 20% at US\$ 379.10 per metric ton in 2007 against US\$ 317.06 in 2006 whereas average purchase costs increased by 23% from US\$ 300.10 in 2006 to US\$ 369.50 in 2007.

### **9 Months**

In 2007, the Group achieved growth in sales volumes of 16.8% with an increase of 1.6 million metric tons as compared to 2006. The increase was achieved by higher sales in the port of Rotterdam.

Oil prices although lower during the first 6 months in 2007 compared to 2006 showed a sharp spike in the third quarter and consequently, there was an increase in our average sales value in 2007 by 3.3% at US\$ 336.41 per metric ton compared to US\$ 325.68 per metric ton in 2006. The increase in purchase costs was 4.4% during the period from US\$ 310.69 per metric ton in 2006 to US\$ 324.44 in 2007.

The results for 2007 include incremental revenues amounting to US\$ 100.8 million from Chemoil Europe BV upon its consolidation following the Group’s acquisition of the remaining 50% stake in it in June 2006. Likewise inventory recognised as an expense includes US\$ 85.6 million as incremental costs upon the consolidation of Chemoil Europe BV. After considering all other incremental expenses, the consolidation of Chemoil Europe BV resulted in a net loss of US\$1.0 million in the group performance for the period.

## **Gross Contribution(GC) and Gross Contribution per Metric ton (GCMT)**

### **Gross Contribution (GC)**

#### 3rd Quarter

Gross contribution reduced by US\$ 28.8 million, 70.9% from US\$ 40.6 million in 2006 to US\$ 11.8 million in 2007. As disclosed in our profit warning in September 2007, the GC was affected by problems in our logistics operations in Singapore as well as volatile conditions in both the petroleum and energy futures markets. Further explanation is below.

#### 9 months

Gross contribution decreased by 27.8 million, 29.0% from US\$ 96.0 million in 2006 to US\$ 68.2 in 2007. The reduction in gross contribution occurred in the third quarter as explained below.

### **Gross Contribution per Metric ton (GCMT)**

#### 3<sup>rd</sup> Quarter

Gross contribution per metric ton reduced by 73.7% from US\$ 10.67 in 2006 to US\$ 2.81 in 2007.

As referred to in our second quarter results announcement, bottlenecks in connection with the usage of the floating storage facilities continued to have a disruptive impact on our operations in Singapore even in the third quarter. Whilst the Group was still substantially able to service its major customers, the sales were predominantly effected in the wholesale segment at lower margins.

Apart from the above, the Group incurred interim losses from its global supply operations. A portion of the Group's inventory was hedged against crude oil markets that witnessed a lack of correlation with the Group's fuel oil inventory. The recent widespread market volatility created a challenging environment for managing the Group's overall inventory exposure.

In August 2007, the Group received an attractive purchase offer for its floating storage vessel and in view with the earlier than scheduled commissioning of our land based storage facilities at Singapore, the Board of Directors decided to sell the floating storage vessel and the transaction was concluded in September 2007. The Group booked a profit of US\$ 6.5 million on the sale of the vessel.

### 9 Months

The Gross Contribution per metric ton reduced by 39.0% from US\$ 9.73 in 2006 to US\$ 5.92 in 2007 due to reasons given above.

Gross contribution includes several expense heads such as barging and pipeline costs, chartering expenses, demurrage, rentals on operating leases, etc. The reasons for significant variances in these and other expense heads are explained below:

#### **Barging and Pipeline Costs:**

##### 3<sup>rd</sup> Quarter

Barging and pipeline costs increased by US\$ 3.9 million or 30.8%. In pursuit of new business opportunities to effect deliveries in the Gulf of Mexico the group incurred costs of US\$ 1.1 million. Increased wharfage costs amounted to US\$ 1.3 million in Panama as a result of a hike in the rates levied by Panama Port Authorities. Barging costs were also higher in Houston, Rotterdam and New York consistent with higher retail volumes sold in these ports.

##### 9 months

Barging and pipeline costs increased by US\$ 8.5 million or 26.4%. These costs have increased due to the consolidation of expenses amounting to \$3.5 million from Chemoil Europe BV upon its becoming a subsidiary in June 2006. Initial one time commission costs of 3 barges at New York and the commencement of deliveries in the Gulf of Mexico contributed an additional expense of \$2.8 million. Apart from the above, there were increased costs in Panama, New York and Rotterdam due to the sale of greater volumes in these ports

#### **Chartering and vessel operating expenses:**

##### 3rd Quarter

Chartering expenses decreased by US\$2.4 million or 34.1%. In 2007, the Group chartered vessels mainly to service its own internal operations which resulted in these incomes and costs being eliminated on consolidation and the costs being captured under the head "Inventories recognized as an expense". In 2006 there were a greater number of external charters which explains the increased incomes and costs.

##### 9 months

Chartering expenses decreased by US\$8.5 million or 36%. The primary reason for the reduction is the same as that given for the 3<sup>rd</sup> quarter above.

**Rentals on operating leases:**

3<sup>rd</sup> Quarter

Rentals decreased by US\$ 1.8 million or 14.3% which was due to decreased floating storage costs at Singapore.

9 months

Rentals increased by US\$ 7 million or 29.4%, due to the consolidation of costs at Chemoil Europe BV and the higher storage costs incurred at Singapore

**Demurrage costs:**

3<sup>rd</sup> Quarter

Demurrage cost increased by US\$2.4 million or 64.1% as a result of port congestion in Panama.

9 months

Demurrage cost increased by US\$ 4.9 million or 53.6%. These increases were mainly due to additional demurrage at Panama and Rotterdam due to port congestion.

**Other expenses:**

3<sup>rd</sup> Quarter

Other expenses increased by \$3.1 million or 64%. Expenses increased due to oil spill tax costs, surveyor and analysis costs and additional corporate overheads incurred as a result of the transition to a public company. Additionally during the quarter several new entities were acquired and consolidated resulting in increased expenses.

9 months

Other expenses increased by US\$ 9.8 million or 76.5%. The expenses for 2006 include a one time duty drawback credit of US\$ 2.2 million. In 2007 costs of US\$ 0.7 million for certain development projects in Panama were written off. Apart from the above, expenses increased due to oil spill tax costs, surveyor and analysis costs and additional corporate overheads incurred as a result of the transition to a public company.

## **Depreciation and Amortization**

### 3<sup>rd</sup> Quarter

Depreciation and amortization increased by US\$ 2.1 million in 2007 mainly because of the increased depreciation on the additional investments made in vessels and other fixed assets during the period.

## **Finance Costs**

### 3<sup>rd</sup> Quarter

Finance costs increased from US\$6.2 million in 2006 to US\$ 7.4 million or 18.6%. This reflects the increased level of borrowings during the quarter.

## **Consolidated Balance Sheet**

The Group's receivables (no. of days of debtors) increased to 33.5 days as of end September 2007 compared to 26.5 days as of end December 2006. The increase in number of days reflects the increased volumes sold and the higher prices prevailing as at end September.

Inventory (no. of days of stock) increased to 17.3 days compared to 14.8 days as of end December 2006. Trade payables (no. of days of payables) increased to 24.4 days compared to 15.7 days as of end December 2006. Inventory increased mainly in the US as a result of cargo in transit. This build up also resulted in a corresponding increase in trade payables.

The increase in investments in associates mainly represents the payment of US\$ 7.8 million towards the subscription of shares in California Software Limited.

Investments in joint ventures of US\$7.9 million represent the payments made towards the group's investments in Fujairah and Panama.

Investments in property plant and equipment increased to US\$168.8 million in September 2007 from US\$16.9 million as of end December 2006 due to the acquisition of Helios Terminals Pte Ltd. and 4 vessels during the period.

Borrowings increased to US\$476.7 million as at end September 2007 compared to US\$187.0 million as at end December 2006 (Refer to Note 1 (b)(ii)). The net debt to equity ratio increased to 199 % in September 2007 compared to 79 % as at end December 2006 whereas the net long term debt to equity ratio increased to 55% in 2007 compared to 22% as at end December 2006.

Shareholders funds increased to US\$ 239.5 million as at end September 2007 compared to US\$ 236.3 million as at end December 2006.

The change in derivative financial instruments is analysed as follows:						
	30 <sup>th</sup> Sep -07			31-Dec-06		
	Contract/ notional amount	Fair values		Contract/ notional amount	Fair values	
		Assets	Liabilities		Assets	Liabilities
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Commodity swaps	1,213,741	2,713	(8,643)	712,133	9,860	(2,016)
Commodity futures	99,242	-	(160)	35,547	300	-
Interest-rate cap	20,000	107	-	20,000	222	-
Interest rate swaps	60,000	-	(534)	-	-	-
Currency forwards	3,141	95	-	37,202	289	-
Cross currency swaps	-	-	-	-	-	-
		2,915	(9,337)		10,671	(2,016)

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Not applicable

**11. If a decision regarding dividend has been made**

**a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend has been declared in respect of the current period. A final dividend of US\$ 12.926 million (US 1 cent per share) relating to 2006 was approved by the shareholders at the Annual General meeting on May 29<sup>th</sup> 2007 and paid in June 2007.

**b) (i) Amount per share / rate %**

Not applicable

**b) (ii) Previous corresponding period /rate %**

US\$ 11 million (US 1 cent per share) relating to 2005

**c) Whether the dividend amount is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable

**d) The date when the dividend is payable**

Not applicable

**e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable

**12. If no dividend has been declared (recommended), a statement to that effect**

No dividend has been declared or recommended in respect of the current period.

**13. Interested person transactions.**

During the quarter ended 30<sup>th</sup> Sep 2007, the following interested person transactions were entered into by the Group,

Name of interested person	Aggregate value of all interested person transactions entered into during the financial period under review (excluding transactions of value less than S\$ 100,000 and transactions entered into pursuant to the IPT mandate)	Aggregate value of all interested person transactions entered into under the IPT mandate during the financial period under review (excluding transactions of value less than S\$ 100,000 )
	<b>Jul – Sep 2007 – (US\$' 000)</b>	<b>Jul – Sep 2007 – (US\$' 000)</b>
Andorra Service Limited Hong Kong	2,706	-
Andorra Ventures Philippines	69	-
Itochu Corporation Japan	-	14,306
Itochu Petroleum Singapore Pte Ltd	-	80
Pebble Beach Shipping	487	-
California Software Limited	5,466	-
Baron S Shipping Corporation.	578	-
<b>Total</b>	<b>9,306</b>	<b>14,386</b>

#### **14. Confirmation of the Board**

We refer to the requirement under Rule 705(4) of the Listing Manual.

We hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 3rd quarter ended 30<sup>th</sup> Sep 2007 to be false or misleading in any material aspects

On behalf of the Board of Directors

Robert Viswanathan Chandran  
Chairman and Chief Executive Officer

Fuminobu Oda  
Director

BY ORDER OF THE BOARD

Robert Viswanathan Chandran  
Executive Chairman  
6 November 2007

**Footnote:**

**The initial public offering of the Company's shares was sponsored by J.P. Morgan (S.E.A.) Limited and UBS AG, acting through its business group, UBS Investment Bank.**