

Media Monitoring

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Swiss-based commodity supplier Glencore International AG (GNC.YY) has made an offer to acquire Singapore's marine fuel supplier Chemoil Energy Ltd. (AV5.SG) for a cash consideration around US\$459 million.

Glencore through its unit--Singfuel Investment Pte. Ltd.--has entered into a share-purchase agreement with the Chandran family trust, the founders of Chemoil, to buy their 50.81% stake for a cash consideration around US\$233.28 million, Singfuel said in a statement late Monday.

The Glencore unit, which is paying US\$0.3552 for each share of Chemoil, has to make a mandatory unconditional cash offer for all the shares it doesn't own once it reaches a deal with Chemoil's majority shareholder.

Based on the price of US\$0.3552, Glencore's offer values Chemoil at US\$459 million.

Glencore's offer price is at a 21.1% discount to Chemoil's closing price of US\$0.45 on Friday.

Chemoil has sought a trading halt.

Singfuel said Chemoil will maintain its listing status.

DBS Bank Ltd. is Glencore's financial adviser.

Chemoil is an integrated marine fuel supplier with operations in Los Angeles, New York, Houston, Singapore, Panama, and the United Arab Emirates.

For the third quarter ending September, the company posted a net loss of US\$12.6 million, while revenue during the period dropped 40% from a year earlier to US\$1.64 billion.

Glencore is one of the world's largest suppliers of commodities and raw materials to industrial consumers such as automotive, power generation, steel production and food processing. The company also provides financing, logistics and other supply chain services to producers and consumers of commodities.