



**CHEMOIL ENERGY LIMITED**  
(Incorporated in Hong Kong)  
(Company Registration No. 200591)  
(**"Chemoil"**)

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## PRE-CONDITIONAL MANDATORY CASH OFFER FOR SHARES IN CHEMOIL

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### 1. **Introduction**

- 1.1 The Board of Directors ("**Board**") of Chemoil wishes to inform shareholders of Chemoil ("**Shareholders**") that DBS Bank Ltd. ("**DBS Bank**"), for and on behalf of Singfuel Investment Pte. Ltd. (an indirect wholly-owned subsidiary of Glencore International AG) ("**Offeror**"), has on 14 December 2009 made a pre-conditional mandatory cash offer announcement ("**Pre-Conditional Offer Announcement**") that the Offeror intends to make a mandatory unconditional cash offer (the "**Offer**") for all issued ordinary shares ("**Shares**") in the capital of Chemoil, other than those Shares already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror, subject to the satisfaction of the Pre-Condition (as defined in Section 2.2 of the Pre-Conditional Offer Announcement).
- 1.2 The Pre-Conditional Offer Announcement states that the Offeror entered into a share purchase agreement (the "**Share Purchase Agreement**") with the Chandran Family Trust (the "**Vendor**") whereby the Vendor agreed to offer and sell to the Offeror and the Offeror agreed to purchase from the Vendor, on the terms and subject to the conditions set out in the Share Purchase Agreement (which are more particularly described in Section 2.2 and Appendix 1 to the Pre-Conditional Offer Announcement), 656,748,194 Shares, representing approximately 50.81 per cent.<sup>1</sup> per cent. of the issued share capital of Chemoil (the "**Acquisition**").
- 1.3 The Pre-Conditional Offer Announcement states that:
- (a) in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**"), the Offeror will be required, upon satisfaction of the Pre-Condition, to make a mandatory unconditional cash offer for all the Shares not already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror;
  - (b) the Offer will not be made unless and until the Pre-Condition is satisfied no later than the date (the "**Final Date**") falling two Business Days<sup>2</sup> after 28

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<sup>1</sup> In the Pre-Conditional Offer Announcement, for the purposes of computation, the number of Shares was 1,292,612,000.

<sup>2</sup> "**Business Days**" is defined in Section 2.2 of the Pre-Conditional Offer Announcement to mean a day on which commercial banks are open for business in San Francisco, London, Singapore, and New York City

February 2010 (the "**Outside Closing Date**"), or such other date as the Offeror or the Vendor may agree in writing, save that either the Offeror or the Vendor (provided that they are in compliance with all of their obligations under the Share Purchase Agreement) may extend the Outside Closing Date for up to an additional 30 days in respect of the Closing Conditions (as defined in Section 2.2 of the Pre-Conditional Offer Announcement) set out in Part I of Appendix 1 of the Pre-Conditional Offer Announcement, if such Closing Conditions have not been satisfied. Accordingly, all references to the Offer in the Pre-Conditional Offer Announcement refer to the possible Offer which will only be made if and when the Pre-Condition is satisfied no later than the Final Date.

- (c) The pre-condition to the making of the Offer is the completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement (the "**Pre-Condition**"), which will take place on the date falling two Business Days after the satisfaction or waiver, as the case may be, of the Closing Conditions.

## 2. **The Offer**

2.1 The Pre-Conditional Offer Announcement states, *inter alia*, that subject to the satisfaction of the Pre-Condition and the terms and conditions set out in the offer document to be issued by DBS Bank on behalf of the Offeror, the Offer will be made by the Offeror on the following basis:

- (a) the Offeror will make the Offer for all issued Shares not already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the "**Offer Shares**") in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Code;

- (b) the price for each Offer Share will be as follows:

**For each Offer Share: US\$0.3552 in cash;** and

- (c) the Offer, if and when made, will be extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise, on or prior to the close of the Offer, of any options (the "**Options**", each an "**Option**") to subscribe for new Shares under the 2006 Share Option Scheme of Chemoil.

For the purpose of the Offer, the expression "**Offer Shares**" shall include all new Shares unconditionally issued or to be issued pursuant to the valid exercise of the Options on or prior to the close of the Offer.

2.2 The Pre-Conditional Offer Announcement states that if the Pre-Condition is satisfied no later than the Final Date, DBS Bank, for and on behalf of the Offeror, will immediately announce the firm intention on the part of the Offeror to make the Offer ("**Formal Announcement**"). The offer document containing the terms and conditions of the Offer will be despatched to the shareholders of Chemoil not earlier than 14 days but not later than 21 days from the date of the Formal Announcement. However, if the Pre-Condition is not satisfied by the Final Date, the Offer will not be made and

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(excluding Saturdays, Sundays and public holidays in San Francisco, London, Singapore and New York City).

DBS Bank will issue an announcement confirming that fact as soon as reasonably practicable.

- 2.3 The Pre-Conditional Offer Announcement states that the Offer, if and when made, will be unconditional in all respects.

A copy of the Pre-Conditional Offer Announcement is attached herewith to this announcement and is also available on the website of the Singapore Exchange Securities Trading Limited at [www.sgx.com](http://www.sgx.com). Shareholders are advised to refer to the full-text of the Pre-Conditional Offer Announcement.

### **3. Information on Glencore and the Vendor**

The Glencore group of companies (the “**Glencore Group**”) is one of the world's largest suppliers of commodities and raw materials to industrial consumers. Customers around the world, in industries such as automotive, power generation, steel production and food processing, rely upon the Glencore Group's established global network of operations as a source of metals and minerals, crude oil and oil products, coal and agricultural products. These commodities originate either from the Glencore Group's owned production assets, are secured from third parties, or benefit from the refining, processing or marketing expertise of the Glencore Group. The Glencore Group also provides financing, logistics and other supply chain services to producers and consumers of commodities. The Glencore Group, founded in 1974, is a privately held group owned by its management and employees. Headquartered in Baar, Switzerland, the Glencore Group employs over 2,000 people in its global marketing operations in some 50 offices in over 40 countries. In its industrial operations, the Glencore Group employs over 50,000 people at 16 plants in 13 countries. Additionally, the Glencore Group has interests in various publicly listed companies including 34.5 per cent. in Xstrata, 44 per cent. economic (39 per cent. Voting) in Century Aluminum, 70.6 per cent. in Minara Resources, 72.2 per cent. in Katanga Mining and 32.2 per cent. in Recylex.

Given Glencore's strength and breadth of expertise across various industries, including the energy sector, Chemoil welcomes Singfuel as a major shareholder and appreciates the confidence Glencore has demonstrated in Chemoil through their commitment to purchase the Chandran family's shareholding.

Bob Chandran founded Chemoil in 1981 and was committed to the continuous growth and development of Chemoil for over a quarter of a century. He demonstrated that commitment throughout his life and the Board would like to thank his family for their continued leadership and support all these years. Their selection of Glencore as a potential major shareholder of Chemoil was the culmination of a thoughtful and deliberate process which is entirely consistent with the transformational leadership Bob instilled in all who were associated with Chemoil.

### **4. Independent Financial Adviser**

The Board will, in due course, appoint an independent financial adviser in connection with the Offer. If and when the Offer is made, a circular containing the advice of the independent financial adviser and the recommendation of the Directors of Chemoil who are considered independent for the purposes of the Offer will be sent to Shareholders within 14 days from the date of despatch of the offer document to be issued by or on behalf of the Offeror.

**In the meantime, Shareholders are advised to exercise caution when dealing with their Shares and to refrain from taking any action in respect of their Shares which may be prejudicial to their interests.** Shareholders should note that as the making of the Offer is subject to the satisfaction of the Pre-Condition, there is no certainty that the Offer will be made. Chemoil will release further announcements at the appropriate junctures.

**5. Directors' Responsibility Statement**

The Directors of Chemoil (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this announcement are fair and accurate and no material facts have been omitted from this announcement.

Where information has been extracted from published or otherwise publicly available sources (including, without limitation, the Pre-Conditional Offer Announcement), the sole responsibility of the Directors of Chemoil has been to ensure that such information has been correctly and accurately extracted from these sources, or as the case may be, accurately reflected or reproduced in this announcement.

The Directors of Chemoil jointly and severally accept full responsibility accordingly.

By Order of the Board  
**Chemoil Energy Limited**

Clyde Michael Bandy  
Chief Executive Officer and Chairman

15 December 2009