

## PRE-CONDITIONAL MANDATORY CASH OFFER

by



### **DBS BANK LTD.**

(Incorporated in Singapore)  
(Co. Reg. No: 196800306E)

for and on behalf of

### **SINGFUEL INVESTMENT PTE. LTD.**

(Incorporated in Singapore)  
(UEN/Reg. No: 200716010M)

an indirect wholly-owned subsidiary of

### **GLENCORE INTERNATIONAL AG**

(Incorporated in Switzerland)  
(Co. Reg. No: 170.3.012.738-3)

to acquire all of the issued ordinary shares  
in the capital of

### **CHEMOIL ENERGY LIMITED**

(Incorporated in Hong Kong)  
(Co. Reg. No: 200591)

other than those already owned, controlled or agreed to be acquired by  
Singfuel Investment Pte. Ltd. and parties acting in concert with it

## PRE-CONDITIONAL MANDATORY CASH OFFER ANNOUNCEMENT

### **1. INTRODUCTION**

- 1.1 The Offer.** DBS Bank Ltd. ("**DBS Bank**") wishes to announce, for and on behalf of Singfuel Investment Pte. Ltd. (the "**Offeror**"), an indirect wholly-owned subsidiary of Glencore International AG ("**Glencore**"), that the Offeror intends to make a mandatory unconditional cash offer (the "**Offer**") for all issued ordinary shares ("**Shares**") in the capital of Chemoil Energy Limited ("**Chemoil**" or the "**Company**"), 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 below).

- 1.2 The Acquisition.** On 14 December 2009, 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 this Announcement below), 656,748,194 Shares (the “**Sale Shares**”), representing approximately 50.81 per cent.<sup>1</sup> of the issued share capital of the Company (the “**Acquisition**”).
- 1.3 Rationale for the Offer.** 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.
- 1.4 The Pre-Condition. 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 (as defined in Section 2.2 below) after 28 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 below) set out in paragraphs 1.1 to 1.5 of Part I of Appendix 1, if such Closing Conditions have not been satisfied. Accordingly, all references to the Offer in this 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.**

**Shareholders of the Company should exercise caution and seek appropriate independent advice when dealing in the Shares.**

## **2. THE OFFER**

- 2.1 Terms.** 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 Document**”), the Offer will be made by the Offeror on the following basis:
- (i) 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;
  - (ii) the price for each Offer Share (the “**Offer Price**”) will be as follows:

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<sup>1</sup> In this Announcement, for the purposes of computation of any percentage shareholdings, the total number of issued Shares is 1,292,612,000 (including treasury shares) based on the unaudited financial statements of the Company for the nine months ended 30 September 2009.

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

- (iii) 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 the Company (the “**Option Scheme**”).

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; and

- (iv) the Offer Shares will be acquired:
  - (a) fully paid;
  - (b) free from any mortgage, assignment of receivables, debenture, lien, hypothecation, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or other similar right, right of first refusal, restriction, third-party right or interest, any other encumbrance, condition or security interest whatsoever having similar effect; and
  - (c) together with all rights, benefits and entitlements attached thereto as at the date of the Formal Announcement (as defined in Section 2.3 below) and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared by the Company on or after the date of the Formal Announcement.

**2.2 The Pre-Condition.** 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 conditions set out in **Part I of Appendix 1** to this Announcement (the “**Closing Conditions**”).

“**Business Day**” shall mean a day on which commercial banks are open for business in San Francisco, London, Singapore and New York City (excluding Saturdays, Sundays and public holidays in San Francisco, London, Singapore and New York City).

**Part II of Appendix 1** to this Announcement summarises the Proscribed Occurrences (as defined in **Part III of Appendix 1** to this Announcement) referred to in paragraph 2.2(e) of **Part I of Appendix 1** to this Announcement.

**2.3 Formal Announcement.** 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 (the “**Formal Announcement**”). The Offer Document containing the terms and conditions of the Offer will be despatched to the shareholders of the Company 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 DBS Bank will issue an announcement confirming that fact as soon as reasonably practicable.

- 2.4 No Condition.** The Offer, if and when made, will be unconditional in all respects.
- 2.5 Options.** As at the date of this Announcement (the “**Announcement Date**”), based on the latest information available to the Offeror, there are outstanding Options granted under the Option Scheme. Under the rules of the Option Scheme, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Options (although, for the avoidance of doubt, the Offer will be extended to all new Shares issued or to be issued pursuant to the valid exercise of the Options on or prior to the close of the Offer).
- 2.6 Options Proposal.** In addition to extending the Offer to all new Shares issued or to be issued pursuant to the valid exercise of the Options on or prior to the close of the Offer, the Offeror intends to make a proposal (the “**Options Proposal**”) to the holders of the Options. The terms of the Options Proposal are set out in **Appendix 2** to this Announcement.
- 2.7 No Undertakings.** Neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any party to accept or reject the Offer.
- 2.8 Overseas Shareholders.** The availability of the Offer to persons not resident in Singapore may be affected by the laws of the relevant jurisdiction. Shareholders of the Company who are not resident in Singapore should inform themselves about, and observe, any applicable requirements in their own jurisdiction. Further details in relation to shareholders of the Company who are not resident in Singapore will be contained in the Offer Document.

### **3. DESCRIPTION OF THE OFFEROR AND GLENCORE**

- 3.1 The Offeror.** The Offeror is a company incorporated in Singapore on 30 August 2007. It was previously a dormant company which is now being used as a special purpose vehicle for the purpose of acquiring the Sale Shares pursuant to the Acquisition and the Offer Shares pursuant to the Offer. The Offeror is an indirect wholly-owned subsidiary of Glencore. The directors of the Offeror are Mr Alexander Frank Beard, Mr Mark Jonathan Catton and Mr Usmanto Njo, all of whom are also employees of Glencore.
- 3.2 Glencore.** 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.

#### **4. DESCRIPTION OF THE COMPANY**

The Company was incorporated in Hong Kong on 9 October 1987. It has been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 14 December 2006. The Company is one of the marine fuel industry’s leading physical suppliers and it delivers energy through controlling all key stages of the marine fuel supply chain. It purchases fuel oil, diesel oil and blend components from national oil companies, refineries, major oil producers and other sources. It transports, stores and blends marine fuel, which it sells and delivers to a broad base of customers. These customers include a diverse group of ocean-going ship operators, international container and tanker fleets, time charter operators, marine fuel traders and other customers. It has integrated operations in Los Angeles, New York, Houston, Singapore, Panama, United Arab Emirates and the ARA (Antwerp, Rotterdam and Amsterdam) region. With a rapidly expanding global footprint, the Company has the largest share of the marine fuels market in Los Angeles, New York and Panama and a growing presence in the world’s top three bunkering hubs, namely Singapore, Rotterdam and Fujairah.

#### **5. LISTING STATUS OF THE COMPANY**

Under Rule 1105 of the SGX-ST Listing Manual (the “**Listing Manual**”), in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least ten per cent. of the issued Shares (excluding treasury shares) are held by at least 500 shareholders who are members of the public.

In addition, under Rule 724 of the Listing Manual, if the percentage of the issued Shares held in public hands falls below ten per cent., the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 725 of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the proportion of the Shares held by members of the public to be raised to at least ten per cent., failing which the Company may be de-listed from the SGX-ST.

It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. However, in the event the Company does not meet the minimum public float required under the Listing Manual at the close of the Offer, the Offeror reserves the right to re-evaluate its position, including its right of compulsory acquisition (if applicable) under Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) as described in Section 6 below, depending, inter alia, on the ultimate level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

## **6. COMPULSORY ACQUISITION**

Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires the Offer Shares during the offer period otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the shareholders of the Company who have not accepted the Offer on the same terms as those offered under the Offer (the “**Dissenting Shareholders**”). In such event, the Offeror reserves its right to compulsorily acquire all the Offer Shares not acquired under the Offer, subject to the considerations highlighted in Section 5 above.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of issued Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

## **7. FINANCIAL EVALUATION OF THE OFFER**

### **7.1 Evaluation of Offer Price.** The Offer Price represents:

- (i) a discount of 21.1 per cent. to the last traded price per Share of US\$0.45 on 11 December 2009, being the last trading day of the Shares on the SGX-ST preceding the Announcement Date; and
- (ii) a premium of 56.9 per cent. over the net asset value per Share of Chemoil and its subsidiaries of approximately US\$0.2264 as at 30 September 2009.

The Offer Price is based on the consideration per Sale Share (the “**Purchase Consideration**”) payable by the Offeror to the Vendor pursuant to the Share Purchase Agreement. The Purchase Consideration was arrived at after an arm’s length negotiation between the Offeror and the Vendor.

## **8. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS**

**8.1 No Holdings or Dealings.** As at the Announcement Date, none of the following parties:

- (i) the Offeror and its directors;
- (ii) Glencore and its directors; and
- (iii) DBS Bank,

own, control or have agreed to acquire or have dealt with for value in any (a) Shares, (b) Options, (c) securities which carry voting rights in the Company, (d) securities which are convertible into Shares, or (e) rights to subscribe for, or options in respect of, such Shares or securities during the six-month period immediately preceding the Announcement Date.

**8.2 Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in due course subsequently and in the Offer Document.

## **9. CONFIRMATION OF FINANCIAL RESOURCES**

DBS Bank, as financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer and the Options Proposal.

## **10. RESPONSIBILITY STATEMENT**

The Directors of the Offeror (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to the Company), the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquires that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by

**DBS Bank Ltd.**

For and on behalf of

**SINGFUEL INVESTMENT PTE. LTD.**

14 December 2009

Any inquiries relating to this Announcement or the Offer should be directed to the following during office hours:

**DBS Bank Ltd.**  
**Mergers & Acquisitions**

Yip Wei Mun  
Senior Vice President

Shelino Suripin  
Vice President

Tel: (65) 6878-8658

Fax: (65) 6878-5676

## Appendix 1

### Part I

#### LIST OF CLOSING CONDITIONS

All capitalised terms used in this Part I of Appendix 1 and not defined in this Announcement shall have the meanings ascribed to them in Part III of Appendix 1.

#### 1. GENERAL CONDITIONS TO CLOSING

- 1.1 HSR Act.** The waiting period applicable to the consummation of the transactions contemplated by the Share Purchase Agreement under the HSR Act shall have expired or been terminated.
- 1.2 Singapore Competition Act.** The Competition Commission of Singapore shall have issued a favorable decision on the sale and purchase of the Offered Shares and the Mandatory Offer.
- 1.3 ECMR.** The European Commission shall have issued a favorable decision under the ECMR with respect to the transactions contemplated by the Share Purchase Agreement.
- 1.4 No Violation of Law; No Injunction.** The purchase of and payment for the Offered Shares by the Offeror, or the sale by the Vendor of the Offered Shares, shall not be prohibited by any Law and there shall not be in effect, at the Closing, any injunction or other binding order of any court or other tribunal having jurisdiction over the Offeror, the Vendor or the Company that prohibits the purchase of the Offered Shares by the Offeror or the sale by the Vendor of the Offered Shares. In the event an injunction or other binding order shall have been issued, each party to the Share Purchase Agreement agrees to use its reasonable best efforts to have such injunction or other binding order lifted.
- 1.5 Material Adverse Change.** Between the date of the Share Purchase Agreement and Closing:
- (a) there shall have been no termination or receipt by the Company or any of its Material Subsidiaries of written notice to terminate any consent, license, permit, waiver, approval or authorization granted by any Governmental Entity, the loss of which would reasonably be expected to result in a Company Material Adverse Effect;
  - (b) there shall not have occurred a reduction in the consolidated net asset value of the Company to an amount below US\$266,000,000 as reflected in the later of (i) the latest publicly released consolidated unaudited interim results of the Company immediately prior to the Closing Date (the “**Interim Results**”) or (ii) a calculation of consolidated net asset value of the Company which shall be certified by the Vendor to the Offeror based on information prepared by the Company in accordance with the accounting principles, policies, bases, practices and estimation technique used in preparing the Interim Results applied on a consistent basis as at the calendar month ending at least twenty-one (21) calendar days immediately prior to the Closing Date; and

- (c) there shall not have occurred any of the following events in relation to the Company, any of its Material Subsidiaries or any of the JV/Public Subsidiaries: (i) such Person being deemed by an order of a court of competent jurisdiction to be insolvent; (ii) such Person filing a voluntary petition for bankruptcy, reorganization or liquidation, or suffering the filing of an involuntary petition for bankruptcy, reorganization or liquidation that is not dismissed within sixty (60) days of its filing; (iii) a resolution to wind up such Person; (iv) the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager or the equivalent of such Person; (v) the making of an order by a court of competent jurisdiction for the winding up of such Person; (vi) the making of an admission by such Person in writing of its inability to pay its debts generally as they become due; or (vii) the entry into any arrangement or general assignment or composition for the general benefit of the creditors of such Person.

The Offeror has the sole discretion to waive the condition in paragraph 1.5 above. For the avoidance of doubt, the parties to the Share Purchase Agreement agree that save for the condition in paragraph 1.5 above, none of the other conditions set out in paragraph 1 above are capable of being waived by any party.

## **2. ADDITIONAL CONDITIONS TO CLOSING**

**2.1 Conditions to the Obligation of Vendor to Close.** The obligation of the Vendor to sell the Offered Shares to the Offeror and otherwise consummate the transactions that are to be consummated at the Closing is subject to the satisfaction, as of the Closing, of the following conditions (any of which may be waived by Vendor in whole or in part):

- (a) the representations and warranties of the Offeror set forth in Section 4 of the Share Purchase Agreement shall be accurate on and as of the date of the Share Purchase Agreement and on and as of the Closing as though such representations and warranties were made on and as of such time; and
- (b) the Offeror shall have performed all covenants, obligations and agreements required to have been performed prior to the Closing that are applicable to it in all material respects, including releasing this Announcement as provided in Section 1.4(a) of the Share Purchase Agreement.

**2.2 Conditions to the Obligation of Offeror to Close.** The obligation of the Offeror to purchase the Offered Shares and otherwise consummate the transactions that are to be consummated at the Closing is subject to the satisfaction, as of the Closing, of the following conditions (any of which may be waived by the Offeror in whole or in part), subject to the Vendor's rights to cure under Section 5.7 of the Share Purchase Agreement:

- (a) the Warranties of the Vendor set forth in Sections 3.1, 3.2, 3.3(a), 3.5 and 3.8 of the Share Purchase Agreement shall be accurate on and as of the date of the Share Purchase Agreement and on and as of the Closing as though such Warranties were made on and as of such time;
- (b) the Warranties (other than the Warranties in Sections 3.1, 3.2, 3.3(a), 3.5 and 3.8), shall be accurate on and as of the date of the Share Purchase Agreement and on and as of the date of the Closing as though such Warranties were made on and as of such time, except for any breaches that, considered in the aggregate,

have not resulted in, nor will reasonably be expected to result in, a Closing Material Breach Consequence;

- (c) the Vendor shall have performed all covenants, obligations and agreements required to have been performed prior to the Closing that are applicable to it in all material respects;
- (d) the Offeror shall have received copies of (i) the written resignations of the Resigning Directors, and (ii) the resolution of the Board accepting the written resignations of the Resigning Directors and appointing the Offeror's nominees, which shall have been delivered in accordance with Section 2.2(b) of the Share Purchase Agreement; and
- (e) no Proscribed Occurrence shall have occurred between the date of the Share Purchase Agreement and the Closing Date, unless consented to in writing by the Offeror.

## Appendix 1

### Part II

#### LIST OF PROSCRIBED OCCURRENCES

All capitalised terms used in this Part II of Appendix 1 and not defined in this Announcement shall have the meanings ascribed to them in Part III of Appendix 1.

Set out below is a summary of the Proscribed Occurrences as set out in the Share Purchase Agreement:

1. The Company or any of its Material Subsidiaries or any of its JV/Public Subsidiaries (other than Galaxy Energy Group Ltd. ("**Galaxy**") and Calsoft) carrying on business other than in the ordinary and usual course consistent with past practice and the Company or any of its Material Subsidiaries or any of its JV/Public Subsidiaries (other than Galaxy and Calsoft) commencing or carrying on any type of business which is not ancillary or incidental to its businesses, provided that neither (A) the Company's investment in a pre-identified entity through subscription for securities of an amount not exceeding US\$6,000,000 nor (B) the Company's return of tanks as permitted under an existing agreement, following consultation between the Company and the Offeror in the case of this sub-clause (B), shall be a Proscribed Occurrence.
2. The Company or any of its Material Subsidiaries or GPS Chemoil LLC (FZC) entering into any Contract involving any capital expenditure, the equity component of which, when aggregated with other such Contracts entered into under this paragraph 2, would be greater than US\$20,000,000.
3. The Company or any of its Material Subsidiaries starting, settling or agreeing to settle or compromise any litigation or arbitration proceedings, except (i) debt collection in the ordinary and usual course of business consistent with past practice, (ii) to enforce the Company's rights under the Non-Disclosure Agreement, (iii) compromises and settlements of proceedings against the Company or any of its Material Subsidiaries resulting in the payment by the Company or any of the Material Subsidiaries of amounts in the aggregate not exceeding 110 per cent. of those budgeted or reserved for such proceedings in the aggregate or (iv) settlement or compromise of a particular litigation provided that none of the costs are paid or payable by the Company.

4. The Company or any of its Material Subsidiaries (i) entering into any agreements in respect of Financial Debt, except in each case, for modifications, replacements or substitutions of Financial Debt existing at the date of the Share Purchase Agreement the material terms of which modifications, replacements and substitutions (including as to increases in amount and/or interest rate and extensions or shortenings of maturity) are consistent with then current market terms or no less favorable to the Company or the Material Subsidiary, as the case may be, than the Financial Debt being modified, replaced or substituted in all material respects, or (ii) incurring any Financial Debt under new agreements entered into in accordance with clause 5.2(b)(iv)(A) of the Share Purchase Agreement or under agreements in existence as of the date of the Share Purchase Agreement (including as may be modified under clause 5.2(b)(iv)(A) of the Share Purchase Agreement) other than in the ordinary and usual course of business consistent with past practice, provided that under each of clause 5.2(b)(iv)(A) and 5.2(b)(iv)(B) of the Share Purchase Agreement the aggregate amount of Financial Debt of the Company and its Material Subsidiaries (including amounts outstanding and amounts available for borrowing) shall not exceed US\$2,600,000,000;
5. The entry into, termination, amendment, or serving notice to terminate or amend, or the waiver of the material terms of, any Contracts by the Company or any Material Subsidiary other than in the ordinary course of business consistent with past practice, and other than entry into, or the termination or amendment of, certain bargaining agreements; provided however that (i) entering into any supply agreements after December 31, 2009, other than (a) spot contracts or (b) bids for certain fuel oil Contracts with a term of no longer than one (1) year following consultation between the Company and the Offeror (provided that such fuel oil Contracts with terms of 150 days or less and supplying 100,000 metric tons or less of fuel oil per month shall not require consultation between the Company and the Offeror), shall be a Proscribed Occurrence and (ii) entering into or renewing any tank leases with terms expiring after June 30, 2010 shall be a Proscribed Occurrence.
6. The Company or any of its Material Subsidiaries entering into, amending or waiving the material terms of any Interested Person Transaction, except in respect of (i) an Interested Person Transaction that has a term of no more than one year and involves less than US\$10,000,000, (ii) any amendments to Interested Person Transactions that do not increase the financial burden on the Company, (iii) any amendments to Interested Person Transactions involving certain bargaining agreements, or (iv) any new Interested Person Transaction entered into pursuant to a Shareholders' Mandate in effect on the date of the Share Purchase Agreement, and provided that such Interested Person Transaction is approved by the Company in accordance with the protocols and procedures (including as required by the Laws of Singapore) established by the Company under a Shareholders' Mandate for Interested Party Transactions in effect on the date of the Share Purchase Agreement.
7. The Company declaring any dividends or making any other distributions to the shareholders prior to the Closing except in the ordinary and usual course of business consistent with past dividend policies.

- 8.** The Company or any of its Material Subsidiaries or any of its JV/Public Subsidiaries (other than Calsoft) undertaking any changes in its capital structure (including without limitation, granting any options over shares, issuing debt or convertible securities, increasing or decreasing the number of issued shares and any buyback of shares) or entering into any agreement or undertaking to do any of the foregoing, or vary the rights attaching to any of the Offered Shares, except as contemplated under the trustee arrangement entered into between the Company and Amicorp Trustees (Singapore) Limited and except for the issue of Shares pursuant to the valid exercise of issued options in accordance with the terms of the Option Scheme if its timing and level are in accordance with the Company's normal practice or in accordance with the terms of the Option Scheme.
- 9.** The Company disposing, directly or indirectly, of all or any of its legal or beneficial interest in any of its Material Subsidiaries or any of its JV/Public Subsidiaries (other than Calsoft), except as may be required under the terms (in effect on the date of the Share Purchase Agreement) of Contracts made available to the Offeror and except for any divestment, directly or indirectly, by the Company of certain bargaining assets.
- 10.** The Company or any of its Material Subsidiaries acquiring or disposing of, agreeing to acquire or dispose of, or creating any Encumbrance (other than any Permitted Encumbrance or any divestment, directly or indirectly, or the acquisition (from a JV/Public Subsidiary) by the Company of certain bargaining assets ) or any other rights or interest or interest over, any of its material properties, revenues, assets, business or undertakings, or assume or incur or agree to assume or incur, a liability (including the issue or granting of any guarantee or indemnity), obligation or expense (actual or contingent), except, in each case, (A) in amounts less than US\$10,000,000, (B) to secure Financial Debt, the incurrence of which is not a Proscribed Occurrence, or (C) in the ordinary and usual course of business consistent with past practice.
- 11.** The Company or any of its Material Subsidiaries or any of its JV/Public Subsidiaries amending or varying its Memorandum and Articles of Association (or its equivalent constituent documents) in any material respect, except for amendments to the Organizational Documents of a JV/Public Subsidiary to conform to the existing agreement among the shareholders thereof.

## Appendix 1

### Part III

#### DEFINITIONS

**Definitions of capitalised terms set out in Parts I and II of Appendix 1 are set out below:**

“**Affiliate**” shall mean, with respect to any specified Person, any other Person directly or indirectly controlling, controlled by or under common control with such specified Person;

“**Associates**” of a Person shall include:

(i) such Person’s Affiliates, directors, officers, employees, trustees, agents, attorneys, accountants and representatives; and

(ii) all directors, officers, employees, agents, attorneys, accountants and representatives of each of such Person’s Affiliates;

“**Board**” shall have the meaning specified in Section 2.2(b) of the Share Purchase Agreement;

“**BSE**” shall mean Bombay Stock Exchange Limited;

“**Calsoft**” shall mean California Software Company Limited, a company incorporated in India and listed on the BSE and the NSE and a subsidiary of the Company;

“**Closing**” shall mean the closing of the transactions contemplated under the Share Purchase Agreement;

“**Closing Date**” shall mean the time and date as of which the Closing actually takes place;

“**Closing Material Breach Consequence**” shall mean in relation to the breach of the Warranties (excluding a breach of the Warranties set forth in Sections 3.1, 3.2, 3.3(a), 3.5 and 3.8), a cost or other adverse financial consequence to the Company or its Material Subsidiaries in the aggregate amount of US\$25,000,000 or more, it being understood that for purposes of calculating such cost or other adverse financial consequence all materiality qualifications contained in such Warranties shall be disregarded and the limitations on damages set forth in Section 10.14 of the Share Purchase Agreement shall apply;

“**Code**” shall mean the Singapore Code on Take-overs and Mergers;

“**Company Financial Statements**” shall mean the audited consolidated balance sheet of the Company and its subsidiaries as of December 31, 2008, and the related audited consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, included in the Company’s 2008 Annual Report, together with the notes thereto;

“**Company Material Adverse Effect**” shall mean any effect that is material and adverse to the business, operations, financial condition, or results of operations of the Company and its Material Subsidiaries taken as a whole, other than (i) any effect resulting from events, fact or circumstances resulting from the economy in general, including market fluctuations and changes in interest rates, or to the Company’s industry in general, including fluctuations in fuel prices or prices of petroleum-related products (but only if, in either case, the Company or any of its Material Subsidiaries is not disproportionately (as compared to the Company’s industry in general) affected thereby), (ii) any effect resulting from changes in legal or regulatory requirements that affect in general the

businesses in which the Company and its Material Subsidiaries are engaged, (iii) any effect resulting from the announcement or consummation of the Share Purchase Agreement or the transactions contemplated hereby, or (iv) any effect resulting from the acts or omissions of the Offeror and/or its Associates;

**“Contract”** shall mean, with respect to any Person, any agreement, guarantee of indebtedness or credit agreement, note, bond, mortgage, lease, permit, concession, consent, approval, authorization, franchise, license, arrangement, undertaking, contract, commitment, obligation, promise, indenture, deed of trust or other instrument, document or agreement (whether written or oral) by which that Person, or any amount of its present or future properties or assets, is bound or subject;

**“ECMR”** shall mean the European Community Merger Regulation, Council Regulation No. 139/2004;

**“Encumbrance”** shall mean any mortgage, assignment of receivables, debenture, lien, hypothecation, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or other similar right, right of first refusal, restriction, third-party right or interest and, any other encumbrance, condition or security interest whatsoever having similar effect, but shall not mean any licenses leases or subleases other than those in the nature of a security interest;

**“Financial Debt”** shall mean, of any Person at any date and without duplication, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services other than current trade liabilities incurred in the ordinary course of business consistent with past practices and payable in accordance with customary practices (including principal, interest and fees); (ii) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument or commercial paper; (iii) all obligations of such Person under financing or capital leases, including all obligations created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by such Person (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property); (iv) all deferred obligations of such Person to reimburse any bank or other Person in respect of amounts paid or advanced under a letter of credit, surety bond, performance bond or other instrument; (v) all Financial Debt of others guaranteed, directly or indirectly, by such Person or as to which such Person has an obligation (contingent or otherwise) that is substantially the economic equivalent of a guarantee; and (vi) all obligations in respect of any interest rate or currency swaps, caps, collars, options, futures or purchase or repurchase obligations, hedging arrangements or other similar derivative instruments;

**“Governmental Entity”** shall mean any entity or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to federal, state, national, local or municipal government, foreign, international, multinational or other government, including any department, commission, board, agency bureau, subdivision, instrumentality, official or other regulatory, administrative or judicial authority thereof, and any non-governmental regulatory body to the extent that the rules and regulations or order of such body have the force of Law, and includes for the avoidance of doubt, the SGX-ST;

**“Group”** shall mean the Company and the Company’s subsidiaries that are consolidated with the Company for purposes of the Company’s consolidated financial statements as set forth in the notes to the Company’s 2008 Annual Report;

**“HSR Act”** shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976;

**“Interested Person Transactions”** shall have the meaning specified in the SGX-ST Listing Manual;

**“JV/Public Subsidiaries”** of the Company shall mean the following Persons: Burando Holding B.V., Calsoft, IPC (USA), Inc., GPS Chemoil LLC (FZC), Galaxy Energy Group Ltd and Chemoil Adani Pte Ltd and a **“JV/Public Subsidiary”** shall mean any one of the foregoing;

**“Law”** shall mean any statute, law, regulation, rule, ordinance, code, judgment, injunction, order, decree, ruling, permit, license and any other binding requirement or determination of any Governmental Entity;

**“Laws of Singapore”** shall mean the Code, the Singapore Securities and Futures Act, Chapter 289 of Singapore, and any other Law in Singapore applicable to the transactions contemplated under the Share Purchase Agreement;

**“Mandatory Offer”** shall mean the mandatory general offer for the Company pursuant to Rule 14 of the Code;

**“Material Subsidiaries”** of the Company shall mean the following Persons: Chemoil Europe B.V., Chemoil Corporation, Chemoil Advanced Management Services Private Limited, Chemoil Energy Philippines, Inc., Chemoil Limited, Chemoil Logistics Inc., Chemoil Chartering Ltd, Chemoil Navigation Limited, Chemoil Storage Limited, Chemoil International Pte Ltd, Chemoil North America Corporation, Chemoil Terminals Corporation, Chemoil Latin America Inc., Helios Terminal Corporation Pte Ltd, Baltic Fuel Inc. and Chemoil Middle East DMCC;

**“Non-Disclosure Agreement”** shall mean the non-disclosure agreement dated as of 9 January 2009 by and among Glencore Ltd., the Vendor and the Company;

**“NSE”** shall mean National Stock Exchange of India Limited;

**“Offered Shares”** shall mean 656,748,194 Shares, beneficially owned, directly or indirectly by the Vendor, which constitutes approximately 50.81 per cent. of the total issued and outstanding Shares;

**“Option Scheme”** shall mean the Company’s 2006 Share Option Scheme;

**“Organizational Documents”** shall mean, with respect to any Person, the Memorandum and Articles of Association, the charter, by-laws and any other organizational documents, each as amended to date, of such Person;

**“Permitted Encumbrance”** shall mean (i) any Encumbrance reserved against in the Company Financial Statements or the Unaudited Company Financial Information, (ii) carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s, repairmen’s or similar common law or statutory liens or Encumbrances arising in the ordinary course of business which are not delinquent (or are delinquent and that are being contested in good faith by appropriate proceedings) or remain payable without penalty (iii) any Encumbrance for Taxes and other assessments or governmental charges or levies due and payable but not yet delinquent or (iv) any Encumbrance under agreements evidencing indebtedness of the Company or its subsidiaries which have been disclosed to the Offeror and/or its Associates, (v) any Encumbrance arising solely by virtue of any statutory or common law provisions relating to banker’s liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution, or (vi) any Encumbrance consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property and minor defects and irregularities in the title

thereto, and other minor liens or encumbrances which do not materially detract from the value of or materially interfere with the present or proposed use of the affected assets;

**“Person”** shall mean any individual, corporation, association, general partnership, limited partnership, venture, trust, estate, association, firm, organization, company, business, entity, union, society, government (or political subdivision thereof) or governmental agency, authority or instrumentality;

**“Proscribed Occurrence”** shall have the meaning specified in Section 5.2(b) of the Share Purchase Agreement and as summarised in Part II of Appendix 1 of this Announcement;

**“Resigning Directors”** shall have the meaning specified in Section 2.2(b)(ii)(A) of the Share Purchase Agreement;

**“Singapore Competition Act”** shall mean the Competition Act (Chapter 50B) of Singapore;

**“Taxes”** shall mean any and all income, excise, gross receipts, gross income, ad valorem, profits, gains, property, capital, sales, transfer, use, value-added, stamp, documentation, payroll, employment, severance, withholding, duties, intangibles, franchise, backup withholding, and other taxes (including estimated taxes), charges, levies, assessments, impositions, duties, or contributions imposed or chargeable by any statutory, federal, state, provincial, local, municipal and other governmental body in any jurisdiction (including the Goods and Services Tax (GST) under Singapore law), together with all penalties and additions to tax and interest thereon, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, and including any liability arising as a result of being (or ceasing to be) a member of any affiliated, consolidated, unitary or similar group or as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person;

**“Unaudited Company Financial Information”** shall mean the unaudited financial information of the Group for the period ended September 30, 2009 as posted on the Company’s website; and

**“Warranties”** shall have the meaning specified in Section 3 of the Share Purchase Agreement.

## Appendix 2

### OPTIONS PROPOSAL

1. **Options Not Transferable.** As at the date of this Announcement, based on the latest information available to the Offeror, there are outstanding Options granted under the Option Scheme. Under the rules of the Option Scheme, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Options (although, for the avoidance of doubt, the Offer will be extended to all new Shares issued or to be issued pursuant to the valid exercise of the Options on or prior to the final closing date of the Offer).
  
2. **Options Proposal.** The Offeror will instead make a proposal (the “**Options Proposal**”) that, subject to the relevant Options continuing to be exercisable into new Shares, the Offeror will pay holders of such Options a cash amount (determined as provided below) (the “**Option Price**”) in consideration of such holders agreeing:
  - (i) not to exercise all or any of such Options into new Shares;
  - (ii) not to exercise all or any of their rights as holders of such Options; and
  - (iii) to surrender all of their Options for cancellation,in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such Options. If the Offer lapses or is withdrawn or if the relevant Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.
  
3. **Option Price.** The Option Price is calculated on a “see-through basis.” In other words, the Option Price for an Option will be the amount (if positive) of the Offer Price less the exercise price of that Option. If the exercise price of an Option is equal to or more than the Offer Price, the Option Price for each Option will be the nominal amount of US\$0.001.