



Chemoil Energy Limited
Unaudited Financial Information
For the full year ended 31st December 2008

1. (a)(i) Consolidated Income Statement
(In US\$'000, unless otherwise stated)

| | GROUP | | | GROUP | | |
|-----------------------------------------------------------------|-------------------|-------------------|------------------------------|-------------------|-------------------|------------------------------|
| | Jan – Dec 2008 | Jan – Dec 2007 | % Increase/ (Decrease) | Oct – Dec 2008 | Oct – Dec 2007 | % Increase/ (Decrease) |
| Revenue | 8,662,129 | 5,364,662 | 61 | 1,267,394 | 1,450,310 | (13) |
| Other gains/(losses) – net | 134,584 | (73,136) | N/M | 191,675 | (35,105) | N/M |
| | 8,796,713 | 5,291,526 | 66 | 1,459,069 | 1,415,205 | 3 |
| Expenses | | | | | | |
| - Inventories recognized as an expense | 8,429,287 | 5,026,205 | 68 | 1,377,591 | 1,338,192 | 3 |
| - Barging and pipelines costs | 69,172 | 53,499 | 29 | 17,145 | 12,640 | 36 |
| - Chartering and other shipping related expenses | 29,651 | 18,591 | 59 | 3,180 | 3,559 | (11) |
| - Rentals for office premises, storage tanks and motor vehicles | 43,768 | 37,404 | 17 | 10,881 | 6,608 | 65 |
| - Demurrage costs | 27,259 | 17,953 | 52 | 4,017 | 3,883 | 3 |
| - Employee benefits | 42,493 | 21,151 | N/M | 16,907 | 7,650 | N/M |
| - Marketing and communication expenses | 7,801 | 4,191 | 86 | 2,358 | 936 | N/M |
| - Service and commission expenses | 14,700 | 10,780 | 36 | 3,082 | 2,251 | 37 |
| - Other expenses | 53,452 | 32,468 | 65 | 12,137 | 9,918 | 22 |
| - Depreciation and amortization | 14,873 | 7,613 | 95 | 4,195 | 1,821 | N/M |
| - Finance expense | 36,361 | 24,164 | 50 | 8,198 | 6,310 | 30 |
| Total expenses | 8,768,817 | 5,254,019 | 67 | 1,459,691 | 1,393,768 | 5 |
| Share of results of associates and joint ventures - net | 6,326 | 2,225 | N/M | 3,967 | 7 | N/M |
| Profit before income tax | 34,222 | 39,732 | (14) | 3,345 | 21,444 | (84) |
| Income tax credit / (expense)** | 11,977 | (9,415) | N/M | 8,116 | (7,060) | N/M |
| Profit for the year | 46,199 | 30,317 | 52 | 11,461 | 14,384 | (20) |
| Attributable to: | | | | | | |
| Equity holders of the Company | 47,069 | 30,331 | 55 | 12,271 | 14,488 | (15) |
| Minority interest | (870) | (14) | N/M | (810) | (104) | N/M |

N/M = Not meaningful

** Please refer to Note on Page 15

1.(a)(ii) Notes to the Consolidated Income Statement
(In US\$'000, unless otherwise stated)

| | GROUP | | | GROUP | | |
|--------------------------------------------------------------------------------------|-------------------|-------------------|------------------------------|-------------------|-------------------|------------------------------|
| | Jan – Dec 2008 | Jan – Dec 2007 | % Increase/ (Decrease) | Oct – Dec 2008 | Oct – Dec 2007 | % Increase/ (Decrease) |
| <u>Other gains/(losses) – net includes the following:</u> | | | | | | |
| (a) Derivatives financial instruments – net (See note a and b) | 113,834 | (84,890) | N/M | 193,953 | (36,040) | N/M |
| (b) Insurance claims (See note c) | 14,388 | - | N/M | - | - | - |
| (c) Fair value losses on other financial assets at fair value through profit or loss | (936) | (129) | N/M | 82 | (250) | N/M |
| <u>The income statement includes the following income / expenses</u> | | | | | | |
| (a) Interest income | 1,991 | 5,032 | (60) | 164 | 775 | (79) |
| (b) Foreign exchange gain/(loss) (See note d) | 4,573 | 174 | N/M | (2,499) | 410 | N/M |
| (c) Gain/(loss) on disposal of property plant and equipment | 551 | 6,484 | (92) | (29) | - | N/M |
| (d) (Allowance)/write back for doubtful debts | (1,715) | 872 | N/M | (687) | 872 | N/M |
| (e) Adjustments for (under) / over provision of tax in respect of prior years | (289) | (358) | 19 | (289) | (358) | 19 |

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 recognized under “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 recognized as expense” in the income statement as they are essentially hedges against price movements on these inventories.
- b) The Group booked gains of US\$ 194 million from its derivative financial instruments during 4Q 2008 as compared to net losses of US\$ 36 million during 4Q2007. This was due to the steep reduction in oil prices in 4Q2008 as compared to increases in 4Q2007.
- c) It represents claims received against the life insurance of our late Chief Executive Officer, Mr. Robert Viswanathan Chandran.
- d) It comprises of mainly unrealized currency translation gains/(losses) in a subsidiary, whose functional currency is Singapore dollars.

1 (b) (i) Balance Sheets as at 31st December 2008
(in US\$'000, unless otherwise stated)

| | Group | | | Company | | |
|-----------------------------------------------------------------------------|----------------|------------------|---------------------------|----------------|----------------|---------------------------|
| | 2008 | 2007 | % Increase/ (Decrease) | 2008 | 2007 | % Increase/ (Decrease) |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and bank balances | 77,521 | 60,109 | 29 | 8,052 | 4,831 | 67 |
| Derivative financial instruments | 41,934 | 2,965 | N/M | - | 228 | N/M |
| Other financial assets at fair value through profit or loss | 668 | 1,604 | (58) | 668 | 1,604 | (58) |
| Income tax recoverable | 669 | 847 | (21) | - | - | - |
| Other current assets | 25,295 | 54,632 | (54) | 1,444 | 472 | N/M |
| Trade and other receivables | 248,899 | 458,899 | (46) | 244,072 | 156,413 | 56 |
| Inventories | 122,913 | 384,853 | (68) | - | - | - |
| | 517,899 | 963,909 | | 254,236 | 163,548 | |
| Non-current assets | | | | | | |
| Other non-current assets | 2,700 | 2,657 | 2 | - | - | - |
| Investments in associates | 38,611 | 46,754 | (17) | 14,691 | 25,621 | (43) |
| Investments in joint ventures | 17,571 | 11,129 | 58 | 11,462 | 8,331 | 38 |
| Investments in subsidiaries | - | - | - | 45,981 | 34,742 | 33 |
| Intangible assets | 16,576 | 4,020 * | N/M | - | - | - |
| Property, plant and equipment | 233,048 | 192,389 * | 21 | 18 | 22 | (18) |
| Deferred income tax assets | 13,261 | 2,053 | N/M | - | - | - |
| | 321,767 | 259,002 | | 72,152 | 68,716 | |
| Total assets | 839,666 | 1,222,911 | | 326,388 | 232,264 | |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 208,566 | 307,537 | (32) | 36,732 | 44,384 | (17) |
| Derivative financial instruments | 11,278 | 24,858 * | (55) | 4,793 | 1,121 * | N/M |
| Current income tax liabilities | 2,121 | 6,283 | (66) | - | - | - |
| Borrowings | 126,350 | 460,750 | (73) | 80,208 | 4,657 | N/M |
| Provisions for other liabilities and charges | 3,579 | 1,639 | N/M | - | - | - |
| | 351,894 | 801,067 | | 121,733 | 50,162 | |
| Non-current liabilities | | | | | | |
| Borrowings | 187,695 | 162,809 | 15 | 40,366 | 46,701 | (14) |
| Derivative financial instruments | 6,212 | 932 * | N/M | 5,418 | 932 * | N/M |
| Deferred income tax liabilities | 2,587 | 4,844 | (47) | - | - | - |
| | 196,494 | 168,585 | | 45,784 | 47,633 | |
| Total liabilities | 548,388 | 969,652 | | 167,517 | 97,795 | |
| NET ASSETS | 291,278 | 253,259 | | 158,871 | 134,469 | |
| EQUITY | | | | | | |
| Capital & reserves attributable to equity holders of the Company | | | | | | |
| Share capital | 2 | 2 | - | 2 | 2 | - |
| Share premium | 85,816 | 85,816 | - | 85,816 | 85,816 | - |
| Merger reserve | 3,529 | 3,529 | - | - | - | - |
| Other reserves | (8,725) | (240) | N/M | 1,574 | 947 | 66 |
| Retained earnings | 204,759 | 164,152 | 25 | 71,479 | 47,704 | 50 |
| | 285,381 | 253,259 | | 158,871 | 134,469 | |
| Minority interest | 5,897 | - | N/M | - | - | - |
| Total equity | 291,278 | 253,259 | | 158,871 | 134,469 | |

* : Comparatives are reclassified to conform to current year's presentation

**1. (b) (ii) Aggregate amount of Group's Borrowings and Debt securities
(in US\$'000, unless otherwise stated)**

| | 2008 | | 2007 | |
|----------------------------------------------------|---------|-----------|---------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| Amount repayable in one year or less, or on demand | 122,265 | 4,085 | 440,850 | 19,900 |
| Amount repayable after one year | 187,607 | 88 | 162,809 | - |
| Total | 309,872 | 4,173 | 603,659 | 19,900 |

| Details of any collateral | 2008 | 2007 |
|-------------------------------------------------------------------------------------------------------------|---------|---------|
| Secured on current assets of subsidiaries | - | 13,297 |
| Secured on property, plant and equipment and lease rentals of subsidiaries | 210,172 | 177,036 |
| Secured against trade receivables under a receivables purchase agreement of a subsidiary (See Note a below) | 77,962 | 286,973 |
| Secured on bank balances and deposits, trade and other receivables and inventories of subsidiaries | 21,509 | 126,244 |
| Secured on motor vehicles of a subsidiary (See Note b below) | 229 | 109 |
| Total | 309,872 | 603,659 |

Note: (in US\$ 000)

- a) The gross amount of trade receivables secured under the receivables purchase agreement is US\$ 126,199 (2007:US\$ 330,812)
- b) The carrying amount of motor vehicles pledged as security for borrowings is US\$ 257 (2007: US\$ 190)

1.(c) Consolidated Cash Flow Statements for the year ended 31st December 2008
(in US\$'000, unless otherwise stated)

| | YTD Dec 2008 | YTD Dec 2007 | Q4 2008 | Q4 2007 |
|------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Cash flows from operating activities | | | | |
| Profit for the year | 46,199 | 30,317 | 11,461 | 14,384 |
| Adjustments for: | | | | |
| Income tax expense | (11,977) | 9,415 | (8,116) | 7,059 |
| Share option expense | 627 | 906 | 162 | 264 |
| Depreciation and amortization | 14,873 | 7,613 | 4,195 | 1,821 |
| Net (gain)/loss on disposals of property, plant and equipment | (551) | (6,484) | 29 | - |
| Gain on disposal of other financial assets at fair value through profit or loss | - | (193) | - | - |
| Fair value losses on other financial assets at fair value through profit or loss | 936 | 129 | (82) | 250 |
| Unrealized translation (gains) / losses | (6,111) | - | 3,111 | - |
| Share of results of associates and joint ventures | (6,326) | (2,225) | (3,967) | (7) |
| Interest income | (1,991) | (5,032) | (164) | (775) |
| Finance expense | 36,361 | 24,164 | 8,198 | 6,310 |
| | 72,040 | 58,610 | 14,827 | 29,306 |
| Changes in working capital, net of effects of acquisitions and disposals of subsidiaries | | | | |
| Derivative financial instruments | (56,602) | 29,954 | 8,921 | 15,410 |
| Other assets | 34,650 | (21,650) | 16,432 | (28,653) |
| Trade and other receivables | 227,430 | (137,643) | 370,255 | 22,002 |
| Inventories | 261,955 | (211,935) | 293,520 | (150,730) |
| Trade and other payables | (118,166) | 118,069 | (246,158) | (31,880) |
| Provisions for other liabilities and charges | 1,940 | (887) | (2,595) | 15 |
| Cash generated from / (used in) operations | 423,247 | (165,482) | 455,202 | (144,530) |
| Income tax paid | (6,576) | (4,695) | 1,193 | 297 |
| Net cash generated from / (used in) operating activities | 416,671 | (170,177) | 456,395 | (144,233) |
| Cash flows from investing activities | | | | |
| Advance for purchase of property, plant and equipment | - | (8,602) | - | (8,602) |
| Purchase of other financial assets at fair value through profit or loss | - | (1,857) | - | (1,857) |
| Purchases of property, plant and equipment | (29,459) | (195,622) | (2,941) | (27,586) |
| Proceeds from disposal of property, plant and equipment | 9,145 | 26,235 | 176 | - |
| Purchase of intangibles | (1,260) | - | (340) | - |
| Investment in associates | (364) | (25,946) | (165) | (18,130) |
| Investment in joint ventures | (5,631) | (8,331) | (467) | (496) |
| Proceeds from disposal of investment in associates | - | 34 | - | - |
| Acquisition of a subsidiary, net of cash received | (3,803) | (11,639) | - | - |
| Proceeds from disposal of other financial assets at fair value through profit or loss | - | 1,160 | - | 460 |
| Interest received | 1,991 | 5,032 | 164 | 775 |
| Dividends received from associates and joint ventures ⁷ | 1,567 | 728 | 108 | 95 |
| Net cash used in investing activities | (27,814) | (218,808) | (3,465) | (55,341) |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | 485,827 | 402,235 | 29,365 | 124,645 |
| Repayments of borrowings | (749,005) | (27,106) | (423,746) | 1,270 |
| Interest paid | (36,361) | (24,164) | (8,198) | (6,310) |
| Bank balances and deposits pledged with banks for bank loans | (1,933) | 3,381 | (125) | (2,149) |
| Dividends paid to shareholders | (6,462) | (12,926) | - | - |
| Net cash (used in) / generated from financing activities | (307,934) | 341,420 | (402,704) | 117,456 |
| Net increase / (decrease) in cash and cash equivalents | 80,923 | (47,565) | 50,226 | (82,118) |
| Cash and cash equivalents at beginning of financial period | (30,200) | 17,365 | 497 | 51,918 |
| Cash and cash equivalents at end of financial period | 50,723 | (30,200) | 50,723 | (30,200) |
| Cash and cash equivalents comprise: | | | | |
| Cash and bank balances | 77,521 | 60,109 | 77,521 | 60,109 |
| Bank balances and deposits pledged with bank loans | (9,058) | (7,124) | (9,058) | (7,124) |
| Bank overdrafts | (17,740) | (83,185) | (17,740) | (83,185) |
| Total | 50,723 | (30,200) | 50,723 | (30,200) |

**1. (d)(i) Consolidated Statement of changes in equity for the year ended 31st December 2008
(in US \$'000, unless otherwise stated)**

| GROUP – FULL YEAR | Attributable to equity holders of the Company | | | | Retained earnings | Minority interest | Total equity |
|----------------------------------------------------------------|-----------------------------------------------|----------------|---------------|----------------|-------------------|-------------------|----------------|
| | Share capital | Merger reserve | Share premium | Other reserves | | | |
| Balance at 1 January 2008 | 2 | 3,529 | 85,816 | (240) | 164,152 | - | 253,259 |
| Currency translation differences recognized directly in equity | - | - | - | 220 | - | (968) | (748) |
| Cash flow hedges - Fair value loss | - | - | - | (9,332) | - | - | (9,332) |
| Profit for the year | - | - | - | - | 47,069 | (870) | 46,199 |
| Total recognized income/(loss) for the year | - | - | - | (9,112) | 47,069 | (1,838) | 36,119 |
| Dividends relating to 2007 | - | - | - | - | (6,462) | - | (6,462) |
| Acquisition of a subsidiary | - | - | - | - | - | 7,735 | 7,735 |
| Employee share option scheme: Value of services rendered | - | - | - | 627 | - | - | 627 |
| Balance at 31 December 2008 | 2 | 3,529 | 85,816 | (8,725) | 204,759 | 5,897 | 291,278 |
| Balance at 1 January 2007 | 2 | 3,529 | 85,816 | 222 | 146,747 | - | 236,316 |
| Currency translation differences recognized directly in equity | - | - | - | 457 | - | - | 457 |
| Cash flow hedges - Fair value loss | - | - | - | (1,825) | - | - | (1,825) |
| Profit for the year | - | - | - | - | 30,331 | (14) | 30,317 |
| Total recognized income/(loss) for the year | - | - | - | (1,368) | 30,331 | (14) | 28,949 |
| Dividends relating to 2006 | - | - | - | - | (12,926) | - | (12,926) |
| Acquisition of a subsidiary | - | - | - | - | - | 14 | 14 |
| Employee share option scheme: Value of services rendered | - | - | - | 906 | - | - | 906 |
| Balance at 31 December 2007 | 2 | 3,529 | 85,816 | (240) | 164,152 | - | 253,259 |

1.(d)(i) Statements of Changes in Equity (continued)
(in US \$'000, unless otherwise stated)

| GROUP – 4 TH QUARTER | Attributable to equity holders of the Company | | | | | Minority interest | Total equity |
|----------------------------------------------------------------|-----------------------------------------------|----------------|---------------|----------------|-------------------|-------------------|----------------|
| | Share capital | Merger reserve | Share premium | Other reserves | Retained earnings | | |
| Balance at 1 October 2008 | 2 | 3,529 | 85,816 | (981) | 192,488 | 6,935 | 287,789 |
| Currency translation differences recognized directly in equity | - | - | - | (491) | - | (545) | (1,036) |
| Cash flow hedges | | | | | | | |
| - Fair value loss | - | - | - | (7,415) | - | - | (7,415) |
| Profit for the period | - | - | - | - | 12,271 | (810) | 11,461 |
| Total recognized income/(loss) for the period | - | - | - | (7,906) | 12,271 | (1,355) | 3,010 |
| Acquisition of a subsidiary | - | - | - | - | - | 317 | 317 |
| Employee share option scheme: | | | | | | | |
| Value of services rendered | - | - | - | 162 | - | - | 162 |
| Balance at 31 December 2008 | 2 | 3,529 | 85,816 | (8,725) | 204,759 | 5,897 | 291,278 |
| Balance at 1 October 2007 | 2 | 3,529 | 85,816 | 348 | 149,664 | 104 | 239,463 |
| Currency translation differences recognized directly in equity | - | - | - | 440 | - | - | 440 |
| Cash flow hedges | | | | | | | |
| - Fair value loss | - | - | - | (1,292) | - | - | (1,292) |
| Profit for the period | - | - | - | - | 14,488 | (104) | 14,384 |
| Total recognized income/(loss) for the period | - | - | - | (852) | 14,488 | (104) | 13,532 |
| Employee share option scheme: | | | | | | | |
| Value of services rendered | - | - | - | 264 | - | - | 264 |
| Balance at 31 December 2007 | 2 | 3,529 | 85,816 | (240) | 164,152 | - | 253,259 |

1.(d)(i) Statements of Changes in Equity (continued)
(in US \$'000, unless otherwise stated)

| COMPANY – FULL YEAR | Share capital | Share premium | Other reserves | Retained earnings | Total Equity |
|-------------------------------------------------------------|----------------------|----------------------|-----------------------|--------------------------|---------------------|
| Balance at 1 January 2008 | 2 | 85,816 | 947 | 47,704 | 134,469 |
| Profit for the year | - | - | - | 30,237 | 30,237 |
| Total recognized income/(loss) for the year | - | - | - | 30,237 | 30,237 |
| Dividends relating to 2007 | - | - | - | (6,462) | (6,462) |
| Employee share option scheme: Value of services rendered | - | - | 627 | - | 627 |
| Balance at 31 December 2008 | 2 | 85,816 | 1,574 | 71,479 | 158,871 |
| Balance at 1 January 2007 | 2 | 85,816 | 41 | 23,009 | 108,868 |
| Profit for the year | - | - | - | 37,621 | 37,621 |
| Total recognized income/(loss) for the year | - | - | - | 37,621 | 37,621 |
| Dividends relating to 2006 | - | - | - | (12,926) | (12,926) |
| Employee share option scheme: Value of services rendered | - | - | 906 | - | 906 |
| Balance at 31 December 2007 | 2 | 85,816 | 947 | 47,704 | 134,469 |
| COMPANY – 4TH QUARTER | Share capital | Share premium | Other reserves | Retained earnings | Total Equity |
| Balance at 1 October 2008 | 2 | 85,816 | 1,412 | 79,123 | 166,353 |
| Loss for the period | - | - | - | (7,644) | (7,644) |
| Total recognized income/(loss) for the period | - | - | - | (7,644) | (7,644) |
| Employee share option scheme: Value of services rendered | - | - | 162 | - | 162 |
| Balance at 31 December 2008 | 2 | 85,816 | 1,574 | 71,479 | 158,871 |
| Balance at 1 October 2007 | 2 | 85,816 | 150 | 46,782 | 132,750 |
| Transfer to retained earnings | - | - | 533 | (533) | - |
| Profit for the period | - | - | - | 1,455 | 1,455 |
| Total recognized income/(loss) for the period | - | - | - | 1,455 | 1,455 |
| Employee share option scheme: Value of services rendered | - | - | 264 | - | 264 |
| Balance at 31 December 2007 | 2 | 85,816 | 947 | 47,704 | 134,469 |

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 year. 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 year reported on and as at the end of the immediately preceding financial year.

Nil

1 (d) (iii) Total number of issued shares excluding treasury shares

As at the end of the current financial period -1,292,612,000 shares

And as at the end of the immediately preceding year -1,292,612,000 shares

1 (d) (iv) Statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

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 below, 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 2007.

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.

- Reclassification of financial assets : Amendments to IAS 39 'Financial instruments: Recognition and measurement and IFRS 7 'Financial instruments : Disclosures'.
- IFRIC 11, IFRS 2 – Group and Treasury Share Transactions (effective from 1 March 2007)
- IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008).

The adoption of the above mentioned amendments and interpretations has not materially affected the results of the Group.

6. Earnings per ordinary share

| | Jan- Dec 2008 | Jan- Dec 2007 | Oct – Dec 2008 | Oct – Dec 2007 |
|---------------------------------------------------------------------------------------|---------------|---------------|----------------|----------------|
| (a) Based on weighted average number of ordinary shares on issue (US cents per share) | 3.641 | 2.346 | 0.949 | 1.121 |
| (b) On fully diluted basis (US cents per share) | 3.641 | 2.328 | 0.949 | 1.118 |

7. Net Asset Value

| | Group | | Company | |
|---------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 |
| Net asset value per ordinary share based on issued share capital (US cents per share) | 22.08 | 19.59 | 12.29 | 10.4 |

8. Review of Performance of the Group

Full year ended 31st Dec 2008 compared to the Full year ended 31st Dec 2007

4th Quarter ended 31st Dec 2008 (Q4 2008) compared to the 4th Quarter ended 31st Dec 2007 (Q4 2007)

| | Jan- Dec 2008 | Jan- Dec 2007 | % Increase / (Decrease) | Oct – Dec 2008 | Oct – Dec 2007 | % Increase / (Decrease) |
|--------------------------------------------|---------------|---------------|-------------------------|----------------|----------------|-------------------------|
| Volume - Mts million | 16.5 | 14.6 | 12.6 | 3.8 | 3.1 | 22.6 |
| Average Sales Value per MT - US\$ | 518.16 | 363.10 | 42.7 | 327.07 | 461.92 | (29.2) |
| Average Purchase Cost per MT US\$ (note a) | 504.43 | 349.36 | 44.4 | 314.20 | 441.66 | (28.9) |
| Gross Contribution - US\$ million (note b) | 132.7 | 115.3 | 15.1 | 32.4 | 47.1 | (31.3) |
| Gross Contribution per MT - US\$ | 8.05 | 7.88 | 2.2 | 8.6 | 15.15 | (43.2) |
| Revenue - US\$ million | 8,662.1 | 5,364.7 | 61.5 | 1,267.4 | 1,450.3 | (12.6) |
| Profit before Tax - US\$ million | 34.2 | 39.7 | (13.9) | 3.3 | 21.4 | (84.4) |
| Profit after tax US\$ mill | 46.2 | 30.3 | 52.4 | 11.5 | 14.4 | (20.3) |
| Earnings per Share | | | | | | |
| - Basic US cents per share | 3.641 | 2.346 | 55.2 | 0.949 | 1.121 | (15.3) |
| - Diluted US cents per share | 3.641 | 2.328 | 55.6 | 0.949 | 1.118 | (15.6) |

MT = Metric ton

Note:

- a) Average purchase cost includes the gains or losses on commodity swaps and futures.
- b) Gross contribution is calculated as petroleum related revenue minus derivative financial instruments (gains)/losses net, inventories recognized as an expense, barging and pipeline costs, chartering expenses, rentals on operating leases, demurrage costs and service and commission expenses.

Revenue

Chemoil's revenue for the 4th quarter of 2008 was lower by 13% at US\$ 1.27 billion against US\$ 1.45 billion for the 4th quarter of 2007. For the full year, revenue was higher by 61% at US\$ 8.7 billion in 2008 against US\$ 5.4 billion in 2007.

4th Quarter

There was a sharp decrease in oil prices during the period and the average sales value during the quarter was lower by 29% at US\$ 327 per metric ton in 2008 against US\$ 462 in 2007. Average purchase costs also decreased by 29% to US\$ 314 in 2008 from US\$ 442 in 2007.

Volumes increased by 22.6% to 3.8 million metric tons in 2008 from 3.1 million metric tons in 2007 mainly as a result of volumes at the new service centre in the Middle East and greater volumes in Singapore. During the 4th quarter of 2007, volumes in Singapore were reduced to prepare for the move to the Company's new storage facilities at Helios Terminals from the beginning of 2008.

Annual

In 2008, the Group's sales volumes grew by 13%, with volumes increasing by 1.9 million metric tons to 16.5 million tons in 2008 from 14.6 million tons in 2007. Retail sales at the new location in the Middle East and Singapore and greater overall cargo sales were the basis for this increase.

In 2008, average sales value increased by 43% to US\$ 518 per metric ton from US\$ 363 per metric ton in 2007. Purchase costs increased by 44% during the year to US\$ 504 in 2008 from US\$ 349 per metric ton in 2007.

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

4th Quarter

Gross contribution decreased by US\$ 14.7 million, 31% to US\$ 32.4 million in 2008 from US\$ 47.1 million in 2007. Gross contribution per metric ton decreased by 43% to US\$ 8.6 per metric ton in 2008 from US\$ 15.1 per metric ton in 2007.

The fourth quarter of 2008 was turbulent as a result of the global financial crisis with an unprecedented decline in market prices for most commodities notably crude and marine fuel products. The Group's hedging activities helped to protect margins with gains from derivative financial instruments of US\$ 194 million during the quarter.

Annual

Gross contribution increased by US\$17.4 million, 15% from US\$ 115.3million in 2007 to US\$ 132.7 million in 2008. Gross contribution per metric ton increased by 2% to US\$ 8.1per metric ton in 2008.from US\$ 7.9 per metric ton in 2007.

Total volumes for 2008 were boosted due to new retail operations in the Middle East and Singapore markets as well as greater overall cargo sales. In addition, the company's hedging activities protected margins in our inventories during an extremely volatile year.

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:

4th Quarter

Barging and pipeline costs increased by US\$ 4.5 million or 36%. as a result of an additional barge deployed in the Gulf of Mexico since July, an additional barge in Rotterdam and rate increases in Panama.

Annual

Barging and pipeline costs increased by US\$ 15.7 million or 29%. The reasons for the increase are essentially the same as that for the 4th quarter above.

Chartering and vessel operating expenses:

Annual

Chartering expenses increased by US\$11.1 million or 59%. The primary reason for the increase is the deployment of 3 owned barges for deliveries in the Middle East and the deployment of additional vessels for external third party charters.

Rentals on operating leases:

4th Quarter

Rentals increased by US\$ 4.3 million or 65% due to the operating costs of the Helios terminal and the additional storage facilities leased in the Middle East. In comparison, the Group had very little storage facilities at Singapore during the last quarter of 2007 as the scale of operations in Singapore was reduced to prepare for the move to the group's new storage facilities in 2008.

Annual

Rentals increased by US\$ 6.3 million or 17%, due to the operating costs at Helios, the storage facilities in the Middle East and the provision of temporary storage in the Americas during the 3rd quarter.

Demurrage costs:

Annual

Demurrage cost increased by US\$ 9.3 million or 52%. Berth congestion at several ports in the Americas was the reason for the increase.

Due to the consolidation of a subsidiary since June 2008, there were several expenses which were higher such as employee benefits, marketing and communication expenses, service and commission expenses and Other expenses.

Employee benefits

4th Quarter

In addition to the reason above, a provision for performance bonus was provided.

Other expenses

Annual

Other expenses increased by US\$ 20.9 million or 65% for the reasons given above and because, the Group added several new entities since the middle of 2007 whose full annual scale of costs was booked in 2008. Provisions in respect of quality claims were also a significant cost.

Depreciation and Amortization

4th Quarter

Depreciation and amortization increased by US\$2.4 million or 130% as a result of the depreciation on the terminals and vessels which were acquired or commenced operations during 2008.

Annual

Depreciation and amortization increased by US\$ 7.3 million in 2008 due to the reasons given above in respect of the 4th quarter.

Finance costs

4th Quarter

Finance costs increased by US\$1.9 million or 30% as a result of the increase in long term borrowings towards the financing of various terminals, ships and the property in India.

Annual

Annual finance costs increased by US\$ 12.2 million or 50% due to reasons given above in respect of the 4th quarter. The Group's short term borrowings were also high due to the increase in energy prices which prevailed during the first 3 quarters of 2008.

Share of results of associates & joint ventures

4th Quarter

The share of results of associates and joint ventures in 2008 is higher by US\$ 4.0 million as compared to the same period in 2007 due to increased contributions from two main associates.

Annual

The share of results of associates and joint ventures in 2008 is higher by US\$ 4.1 million as compared to 2007 due to increased contributions from two main associates.

Income tax credit/ (expense)

4th Quarter

The Group pays corporate tax ranging from 5-40% depending of the type of business activities and tax jurisdiction for 2008. The tax credit arising from certain activities far exceed the tax charge from other activities. Consequently, there is an overall tax credit in our profit and loss account and a corresponding recognition of future tax benefit in the balance sheet.

Annual

Against a tax charge of US\$ 9.4 million in 2007, the group has a tax credit of US\$12.0 million due to reasons given in respect of the fourth quarter and certain incomes being non taxable.

Consolidated Balance Sheet

The Group's total assets decreased by 31% to US\$ 840 million as at end December 2008 from US\$ 1.22 billion as at end December 2007. Lower current asset levels as a result of the decline in energy prices were the primary reason for this reduction. In 2008, noncurrent assets have increased as a result of investments in property in India.

The Group's receivables (no. of days of debtors) decreased to 10.3 days as of end December 2008 compared to 30.8 days as of end December 2007. Inventory (no. of days of stock) decreased to 5.3 days compared to 27.6 days as of end December 2007. Trade payables (no. of days of payables) decreased to 8.7 days compared to 21.4 days as of end December 2007. The reduction in the number of days reflects the reduced prices prevailing at the year end in 2008.

The other current assets mainly represent advances to suppliers of marine fuel.

The decrease in investments in associates mainly represents the conversion of an associate to a subsidiary in June 2008.

The increase in investments in joint ventures is mainly on account of additional capital injections in two joint ventures.

The increase in intangible assets represents goodwill on the acquisition of 2 subsidiaries and software costs.

Investments in property plant and equipment increased to US\$233 million in December 2008 from US\$ 192.4 million as of end December 2007 mainly due to the acquisition of property in India.

Borrowings decreased to US\$ 314.0 million as at end December 2008 compared to US\$623.6 million as at end December 2007 (Refer to Note 1 (b)(ii)). The net debt to equity ratio decreased to 108% in December 2008 compared to 246 % as at end December 2007 whereas the net long term debt to equity ratio was the same at 64% in 2008 and 2007.

Working capital was US\$ 166.0 million as at end December 2008 against US\$ 162.8 million at end December 2007 and shareholders' funds increased to US\$ 291.3 million as at end December 2008 against US\$ 253.3 million as at end December 2007.

Consolidated Cash Flow Statement

As of December 08, the Group's net cash generated from operating activities was US\$ 416.7 million compared to cash used in operating activities of US\$ 170.2 million as at end December'07.

As of December'08 the Group's net cash used in investing activities was US\$ 27.8 million compared to US\$ 218.8 million as at end December'07 due to reduced expenditure on property, plant and equipment during the current period. The main investment in 2007 was the acquisition of Helios Terminal.

As of December 08, the Group's net cash used in financing activities was US\$ 307.9 million as compared to cash generated from activities of US\$ 341.4 million as at end December'07 due to repayment of borrowings in 2008. The Group has sufficient credit facilities at its disposal to fund its trading and business activities.

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.

The recent global financial situation has led to a contraction of credit and liquidity which has affected economic activity worldwide. It may have a negative impact on the business of our customers, mainly the shipping industry, and eventually affect our sales volumes of fuel. In addition, the contraction of credit and liquidity may impact our access to trade financing. We believe we currently have sufficient and diversified banking relationships that will allow us to continually finance our operations.

11. If a decision regarding dividend has been made

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

The Board has recommended a final dividend in respect of 2008 of US 0.5 cent per share to the shareholders for approval at the annual general meeting.

b) (i) Amount per share / rate %

See above.

b) (ii) Previous corresponding period /rate %

US\$6.4 million (US 0.5 cent per share) relating to 2007.

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).

Paid out of Hong Kong – Tax exempt.

d) The date when the dividend is payable

To be announced.

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.

To be announced.

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

Not applicable.

13. Segmented revenue and results for business segments or geographical segments (of the group) in the form presented in the issuers' most recent audited financial statements, with comparative information for the immediately preceding year.

At 31 December 2008, the Group is organized into three main business segments:

- Retail – Sales of physical supplies of marine fuel and related products to end users such as oil tankers, container ships, dry bulk carriers, and cruise ships.
- Cargo – Sales of marine fuel and related products, such as the components of marine fuel used to blend into marine fuel, to customers such as traders, physical suppliers and resellers.
- Ex-wharf – Sales of marine fuel to customers such as resellers or distributors that accept delivery at our service centers and subsequently resell and deliver the product to end users. The sales are typically made to marine fuel traders, barge companies and other customers.

Others represent chartering income, terminal rental, service fees and commission income, demurrage and other claim income, income from sale of software and share of associates' & joint ventures' results – net.

Unallocated income/(costs) represent gain on disposal of associates, currency exchange gain/(loss) - net, derivative financial instruments - net, fair value losses on other financial assets at fair value through profit or loss, finance income, net, finance expense, and income tax expense.

(In US\$'000, unless otherwise stated)

| 31-Dec-2008 | Retail | Cargo | Ex-wharf | Others | Total |
|------------------------------------------------------|---------------|--------------|-----------------|---------------|---------------|
| Sales (See Note (a) below) | 4,276,447 | 3,307,921 | 956,602 | 121,159 | 8,662,129 |
| Segment result | (100,913) | 1,976 | 157 | 28,453 | (70,327) |
| Share of associates' & joint ventures' results – net | 1,063 | 3,904 | - | 1,359 | 6,326 |
| Other gains/(losses) – net | | | | | 134,584 |
| Finance expense | | | | | (36,361) |
| Profit before income tax | | | | | 34,222 |
| Income tax credit | | | | | <u>11,977</u> |
| Total profit | | | | | 46,199 |

| 31-Dec-2007 | Retail | Cargo | Ex-wharf | Others | Total |
|------------------------------------------------------|---------------|--------------|-----------------|---------------|----------------|
| Sales (See Note (a) below) | 2,759,701 | 1,718,455 | 833,961 | 52,545 | 5,364,662 |
| Segment result | 62,354 | 60,361 | 10,184 | 1,908 | 134,807 |
| Share of associates' & joint ventures' results – net | (482) | 1,447 | | 1,260 | 2,225 |
| Other gains/(losses) – net | | | | | (73,136) |
| Finance expense | | | | | (24,164) |
| Profit before income tax | | | | | 39,732 |
| Income tax expense | | | | | <u>(9,415)</u> |
| Total profit | | | | | 30,317 |

Note

- a) Segment results do not include derivative gains / (losses)

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please see earlier comments under item 8.

15. A breakdown of the following:

| | | 2008 US\$'000 | 2007 US\$'000 | % Increase/ Decrease |
|----|---------------------------------------------------------------------------------------------------|------------------|------------------|-------------------------|
| a) | Sales reported for first half | 4,673,463 | 2,313,492 | 102.01 |
| b) | Operating profit/loss after tax before deducting minority interests reported for first half year | 24,346 | 18,470 | 31.81 |
| c) | Sales reported for second half | 3,988,666 | 3,051,170 | 30.73 |
| d) | Operating profit/loss after tax before deducting minority interests reported for second half year | 21,853 | 11,847 | 84.46 |

A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

| | | 2008 US\$'000 | 2007 US\$'000 |
|----|------------|------------------|------------------|
| a) | Ordinary | - | 6,462 |
| b) | Preference | - | - |
| c) | Total | - | 6,462 |

16. Interested person transactions.

During the financial year ended 31st December 2008, 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 year 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 year under review (excluding transactions of value less than S\$ 100,000) |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Itochu Petroluem Japan | - | 44,689 |
| Itochu Petroleum Company Singapore Ltd | - | 41,053 |
| Pebble Beach Shipping | 6,447 | - |
| Baron Shipping Corporation | 3,420 | - |
| American Healthnet Inc | 851 | - |
| Signal Hill Holding | 536 | - |
| Andorra Service Limited Hong Kong | 767 | - |
| Total | 12,021 | 85,742 |

17. 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 4th quarter ended 31st December 2008 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Clyde Michael Bandy
Chairman and Chief Executive Officer

Michael Lim Choo San
Lead Independent Director &
Chairman of Audit Committee