



Chemoil Energy Limited

Unaudited Financial Information for the 3rd Quarter and Nine Months ended 30th September 2010

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

	GROUP			GROUP		
	Jan – Sep 2010	Jan – Sep 2009	% Increase/ (Decrease)	Jul – Sep 2010	Jul – Sep 2009	% Increase/ (Decrease)
Revenue	5,304,107	3,910,482	36	1,699,833	1,635,183	4
Other gains / (losses) – net	14,232	(104,075)	N/M	(8,566)	(1,028)	N/M
Revenue and other gains – net	5,318,339	3,806,407	40	1,691,267	1,634,155	3
Expenses						
- Inventories recognized as an expense	5,122,965	3,567,509	44	1,626,452	1,573,880	3
- Barging and pipelines costs	52,758	49,195	7	16,627	17,993	(8)
- Chartering and other shipping related expenses	14,468	16,876	(14)	5,325	4,622	15
- Rentals for office premises, storage tanks and motor vehicles	27,643	27,873	(1)	9,023	9,908	(9)
- Demurrage costs	8,445	10,106	(16)	(467)	3,612	N/M
- Employee benefits	33,735	34,999	(4)	10,404	9,587	9
- Marketing and communication expenses	5,444	5,541	(2)	2,027	2,003	1
- Service and commission expenses	12,288	11,577	6	4,674	4,401	6
- Other expenses	31,292	47,304	(34)	10,657	16,182	(34)
- Depreciation and amortization	13,474	15,354	(12)	4,069	4,903	(17)
- Finance expense	16,496	15,311	8	4,789	5,553	(14)
Total expenses	5,339,008	3,801,645	40	1,693,580	1,652,644	2
Share of results of associates and joint ventures - net	5,213	8,483	(39)	2,620	2,501	5
(Loss) / profit before income tax	(15,456)	13,245	N/M	307	(15,988)	N/M
Income tax credit / (expense)	7,049	(5,874)	N/M	1,960	3,727	(47)
(Loss) / profit for the period	(8,407)	7,371	N/M	2,267	(12,261)	N/M
Attributable to:						
Equity holders of the Company	(7,676)	8,524	N/M	2,621	(12,552)	N/M
Minority interest	(731)	(1,153)	(37)	(354)	291	N/M
	(8,407)	7,371	N/M	2,267	(12,261)	N/M

N/M = Not meaningful

1. (a) (ii) Statement of Comprehensive Income
(in US\$'000, unless otherwise stated)

	GROUP			GROUP		
	Jan – Sep 2010	Jan – Sep 2009	% Increase/ (Decrease)	Jul – Sep 2010	Jul – Sep 2009	% Increase/ (Decrease)
(Loss) / profit for the period	(8,407)	7,371	N/M	2,267	(12,261)	N/M
Other comprehensive income:						
Income / (loss) recognised directly in equity						
Cash flow hedges	(1,738)	2,223	N/M	(281)	(899)	(69)
Currency translation differences	6,605	3,781	75	9,472	4,843	96
Other comprehensive income for the period	4,867	6,004	(19)	9,191	3,944	N/M
Total comprehensive (loss) / income for the period	(3,540)	13,375	N/M	11,458	(8,317)	N/M
Total comprehensive (loss) / income attributable to:						
Equity holders of the Company	(2,017)	14,257	N/M	12,033	(8,859)	N/M
Minority interest	(1,523)	(882)	(73)	(575)	542	N/M
	(3,540)	13,375	N/M	11,458	(8,317)	N/M

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

	GROUP			GROUP		
	Jan – Sep 2010	Jan – Sep 2009	% Increase/ (Decrease)	Jul - Sep 2010	Jul - Sep 2009	% Increase/ (Decrease)
<u>Other gains / (losses) – net includes the following:</u>						
(a) Derivatives financial instruments – net (See note a)	8,730	(105,375)	N/M	(8,030)	(1,554)	N/M
(b) Other income (See Note b)	7,000	-	N/M	-	-	-
(c) Fair value (losses) / gains on other financial assets at fair value through profit or loss	(23)	411	N/M	2	223	(99)
<u>The income statement includes the following income / (expenses)</u>						
(a) Interest income	588	371	58	267	19	N/M
(b) Foreign exchange losses	(1,442)	(277)	N/M	(965)	(33)	N/M
(c) (Loss) / Profit on disposal of property plant and equipment	(1,732)	(23)	N/M	(25)	14	N/M
(d) Write-back of / (allowance for) doubtful debts	254	(3,151)	N/M	(2)	(368)	(99)
(e) Overprovision of tax	1,233	-	N/M	-	-	-

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. The Group incurred net losses of US\$ 8.0 million from its derivative financial instruments during 3Q 2010 against losses of US\$ 1.6 million during 3Q 2009. Against these hedging losses, the Group recorded margins on fuel sales which are already recognised in the financial statements.
- b) It represents the payment received from a related party in recognition of services rendered by the Group.

1. (b) (i) Statement of Financial Position (in US\$'000, unless otherwise stated)

	Group			Company		
	30-Sep-10	31-Dec-09	% Increase/ (Decrease)	30-Sep-10	31-Dec-09	% Increase/ (Decrease)
ASSETS						
Current assets						
Cash and cash equivalents	73,017	70,379	4	1,053	787	34
Derivative financial instruments	7,043	206	N/M	-	-	-
Other financial assets at fair value through profit or loss	1,003	1,026	(2)	1,003	1,026	(2)
Other current assets	20,414	50,952	(60)	102	181	(44)
Trade and other receivables	583,961	582,662	-	86,874	110,438	(21)
Inventories	250,884	359,377	(30)	-	-	-
	936,322	1,064,602	(12)	89,032	112,432	(21)
Non-current assets						
Trade and other receivables	8,152	7,448	9	-	-	-
Other non-current assets	3,269	2,996	9	-	-	-
Investments in associates	39,979	42,314	(6)	14,691	14,691	-
Investments in joint ventures	30,698	28,316	8	16,916	16,462	3
Investments in subsidiaries	-	-	-	211,921	211,921	-
Intangible assets	15,948	17,174	(7)	36	-	N/M
Property, plant and equipment	233,117	232,787	-	-	13	N/M
Deferred income tax assets	19,177	9,009	N/M	-	-	-
	350,340	340,044	3	243,564	243,087	-
Total assets	1,286,662	1,404,646	(8)	332,596	355,519	(6)
LIABILITIES						
Current liabilities						
Trade and other payables	454,245	326,735	39	36,431	62,580	(42)
Derivative financial instruments	16,683	26,142	(36)	3,790	3,231	17
Current income tax liabilities	2,766	5,624	(51)	-	-	-
Borrowings	348,142	557,416	(38)	86,745	80,208	8
Provisions for other liabilities and charges	3,292	5,334	(38)	-	-	-
	825,128	921,251	(10)	126,966	146,019	(13)
Non-current liabilities						
Borrowings	140,809	165,238	(15)	34,257	36,875	(7)
Derivative financial instruments	5,949	3,986	49	5,222	3,686	42
Deferred income tax liabilities	6,944	4,542	53	-	-	-
Provisions for other liabilities and charges	6,443	5,466	18	-	-	-
	160,145	179,232	(11)	39,479	40,561	(3)
Total liabilities	985,273	1,100,483	(10)	166,445	186,580	(11)
NET ASSETS	301,389	304,163	(1)	166,151	168,939	(2)
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	-
Treasury shares	(1,655)	(1,230)	35	-	-	-
Merger reserve	3,529	3,529	-	-	-	-
Other reserves	6,280	(570)	N/M	955	750	27
Retained earnings	202,087	209,763	(4)	79,378	82,371	(4)
	296,059	297,310	-	166,151	168,939	(2)
Minority interest	5,330	6,853	(22)	-	-	-
Total equity	301,389	304,163	(1)	166,151	168,939	(2)

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

	30-Sep-10		31-Dec-09	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	347,909	233	554,187	3,229
Amount repayable after one year	140,425	384	164,820	418
Total	488,334	617	719,007	3,647

Details of any collateral	30-Sep-10	31-Dec-09
Secured on current assets of subsidiaries	129,793	327,482
Secured against trade receivables under a receivables purchase agreement of a subsidiary (See Note a below)	191,000	199,042
Secured on property, plant and equipment and lease rentals of subsidiaries	167,370	192,288
Secured on other property, plant and equipment of a subsidiary (See Note b below)	171	195
Total	488,334	719,007

Note

- a) The gross amount of trade receivables secured under the receivables purchase agreement is US\$ 227,908 (2009: US\$ 235,672)
- b) The carrying amount of motor vehicles pledged as security for borrowings is US\$ 211 (2009: US\$ 226)

1. (c) Statement of Cash Flows
(in US\$'000, unless otherwise stated)

	GROUP		GROUP	
	Jan – Sep 10	Jan – Sep 09	Jul – Sep 10	Jul – Sep 09
Cash flows from operating activities				
(Loss) / profit for the period	(8,407)	7,371	2,267	(12,261)
Adjustments for:				
Income tax (credit) / expense	(7,049)	5,874	(1,960)	(3,727)
Share option expense	1,205	442	61	206
Depreciation and amortisation	13,474	15,354	4,069	4,903
Net loss / (gain) on disposals of property, plant and equipment	1,732	23	25	(14)
Fair value losses / (gains) on other financial assets at fair value through profit or loss	23	(411)	(2)	(223)
Unrealised translation (gains) / losses	(2,780)	2,055	(984)	4,415
Share of results of associates and joint ventures	(5,213)	(8,483)	(2,620)	(2,501)
Interest income	(588)	(371)	(267)	(19)
Finance expense	16,496	15,311	4,789	5,553
	8,893	37,165	5,378	(3,668)
<i>Changes in working capital, net of effects of acquisitions and disposals of subsidiaries</i>				
Derivative financial instruments	(16,071)	31,297	9,064	(33,022)
Other assets	29,893	(9,650)	(5,753)	(9,841)
Trade and other receivables	(1,299)	(250,776)	(5,194)	(17,007)
Inventories	108,493	(285,446)	(72,234)	(41,513)
Trade and other payables	127,509	121,100	102,347	537
Provisions for other liabilities and charges	(1,065)	(226)	43	44
Cash generated from / (used in) operations	256,353	(356,536)	33,651	(104,470)
Income tax paid	(3,574)	(4,431)	(1,115)	(1,631)
Net cash generated from / (used in) operating activities	252,779	(360,967)	32,536	(106,101)
Cash flows from investing activities				
Purchases of property, plant and equipment	(4,047)	(7,803)	(1,596)	(3,415)
Proceeds from disposal of property, plant and equipment	1,375	86	622	(23)
Purchase of intangible assets	(719)	(1,305)	(226)	(911)
Investment in joint ventures	(454)	(5,017)	1	(17)
Other receivables	(704)	(2,526)	(265)	(2,526)
Interest received	588	371	267	19
Dividends received from associates	1,897	2,276	475	2,276
Dividends received from joint ventures	2,560	63	60	63
Net cash generated from / (used in) investing activities	496	(13,855)	(662)	(4,534)
Cash flows from financing activities				
Proceeds from borrowings	103,363	431,324	30,671	141,352
Repayments of borrowings	(252,284)	(120,652)	(53,409)	(86,082)
Purchase of treasury shares	(478)	(1,282)	(478)	-
Proceeds from re-issuance of treasury shares	39	98	-	98
Interest paid	(16,496)	(15,311)	(4,789)	(5,553)
Bank balances and deposits pledged with banks for bank loans	13,112	(2,135)	26,502	(578)
Dividends paid to shareholders	-	(6,463)	-	-
Dividends paid to minority interests	-	(980)	-	(980)
Net cash (used in) / generated from financing activities	(152,744)	284,599	(1,503)	48,257
Net increase / (decrease) in cash and cash equivalents	100,531	(90,223)	30,371	(62,378)
Cash and cash equivalents at beginning of financial period	(82,462)	49,619	(12,302)	21,774
Cash and cash equivalents at end of financial period	18,069	(40,604)	18,069	(40,604)
Cash and cash equivalents:				
Cash and bank balances	73,017	54,695	73,017	54,695
Bank balances and deposits pledged with banks for bank loans	(7,629)	(12,297)	(7,629)	(12,297)
Bank overdrafts	(47,319)	(83,002)	(47,319)	(83,002)
Total	18,069	(40,604)	18,069	(40,604)

**1. (d) (i) Statements of Changes in Equity for the period ended 30 September 2010
(in US \$'000, unless otherwise stated)**

GROUP NINE MONTHS	← <u>Attributable to the equity holders of the Company</u> →							<u>Minority interests</u>	<u>Total Equity</u>
	<u>Share capital</u>	<u>Treasury shares held by Trust¹</u>	<u>Merger reserve</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>		
Balance as at 1 January 2010	2	(1,230)	3,529	85,816	(570)	209,763	297,310	6,853	304,163
Purchase of treasury shares	-	(478)	-	-	-	-	(478)	-	(478)
Employee share option scheme:									
- Value of services rendered	-	-	-	-	1,205	-	1,205	-	1,205
- Treasury shares re-issued	-	53	-	-	(14)	-	39	-	39
Total comprehensive income / (loss) for the period	-	-	-	-	5,659	(7,676)	(2,017)	(1,523)	(3,540)
Balance as at 30 September 2010	2	(1,655)	3,529	85,816	6,280	202,087	296,059	5,330	301,389
Balance as at 1 January 2009	2	-	3,529	85,816	(8,725)	204,759	285,381	5,897	291,278
Purchase of treasury shares	-	(1,282)	-	-	-	-	(1,282)	-	(1,282)
Employee share option scheme:									
- Value of services rendered	-	-	-	-	442	-	442	-	442
- Treasury shares re-issued	-	52	-	-	46	-	98	-	98
Dividend relating to 2008	-	-	-	-	-	(6,463)	(6,463)	(980)	(7,443)
Total comprehensive income / (loss) for the period	-	-	-	-	5,733	8,524	14,257	(882)	13,375
Balance as at 30 September 2009	2	(1,230)	3,529	85,816	(2,504)	206,820	292,433	4,035	296,468

¹ A trust was established to purchase and hold the Company's shares from the open market for delivery to employees under the share option plans. Such shares are designated as treasury shares.

**1. (d) (i) Statements of Changes in Equity for the period ended 30 September 2010
(in US \$'000, unless otherwise stated)**

GROUP 3 rd QUARTER	← <u>Attributable to the equity holders of the Company</u> →							<u>Total</u>	<u>Minority interests</u>	<u>Total Equity</u>
	<u>Share capital</u>	<u>Treasury shares held by Trust¹</u>	<u>Merger reserve</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>				
Balance as at 1 July 2010	2	(1,177)	3,529	85,816	(3,193)	199,466	284,443	5,905	290,348	
Purchase of treasury shares	-	(478)	-	-	-	-	(478)	-	(478)	
Employee share option scheme: - Value of services rendered	-	-	-	-	61	-	61	-	61	
Total comprehensive income / (loss) for the period	-	-	-	-	9,412	2,621	12,033	(575)	11,458	
Balance as at 30 September 2010	2	(1,655)	3,529	85,816	6,280	202,087	296,059	5,330	301,389	
Balance as at 1 July 2009	2	(1,282)	3,529	85,816	(6,449)	219,372	300,988	4,473	305,461	
Employee share option scheme: - Value of services rendered	-	-	-	-	206	-	206	-	206	
- Treasury shares re-issued	-	52	-	-	46	-	98	-	98	
Dividend relating to 2008	-	-	-	-	-	-	-	(980)	(980)	
Total comprehensive income / (loss) for the period	-	-	-	-	3,693	(12,552)	(8,859)	542	(8,317)	
Balance as at 30 September 2009	2	(1,230)	3,529	85,816	(2,504)	206,820	292,433	4,035	296,468	

¹ A trust was established to purchase and hold the Company's shares from the open market for delivery to employees under the share option plans. Such shares are designated as treasury shares.

**1. (d) (i) Statements of Changes in Equity for the period ended 30 September 2010
(in US \$'000, unless otherwise stated)**

COMPANY	Share capital	Share premium	Other Reserves	Retained earnings	Total Equity
NINE MONTHS					
Balance as at 1 January 2010	2	85,816	750	82,371	168,939
Contribution to Trust ¹	-	-	(1,000)	-	(1,000)
Employee share option scheme: - Value of services rendered	-	-	1,205	-	1,205
Total comprehensive loss for the period	-	-	-	(2,993)	(2,993)
Balance as at 30 September 2010	2	85,816	955	79,378	166,151
Balance as at 1 January 2009	2	85,816	1,574	71,479	158,871
Contribution to Trust ¹	-	-	(1,675)	-	(1,675)
Employee share option scheme: - Value of services rendered	-	-	442	-	442
Dividend relating to 2008	-	-	-	(6,463)	(6,463)
Total comprehensive income for the period	-	-	-	19,040	19,040
Balance as at 30 September 2009	2	85,816	341	84,056	170,215
COMPANY					
3rd QUARTER					
Balance as at 1 July 2010	2	85,816	1,894	83,512	171,224
Contribution to Trust ¹	-	-	(1,000)	-	(1,000)
Employee share option scheme: - Value of services rendered	-	-	61	-	61
Total comprehensive loss for the period	-	-	-	(4,134)	(4,134)
Balance as at 30 September 2010	2	85,816	955	79,378	166,151
Balance as at 1 July 2009	2	85,816	135	62,735	148,688
Employee share option scheme: - Value of services rendered	-	-	206	-	206
Total comprehensive income for the period	-	-	-	21,321	21,321
Balance as at 30 September 2009	2	85,816	341	84,056	170,215

¹ A trust was established to purchase and hold the Company's shares from the open market for delivery to employees under the share option plans. Such shares are designated as treasury shares.

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial year reported on and as at the end of the immediately preceding financial year.

As at 30th September 2010, the Company's issued and paid-up capital (including treasury shares) comprised 1,292,612,000 (31 December 2009: 1,292,612,000) ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 1,286,262,622 (31 December 2009: 1,287,429,622) ordinary shares.

Treasury shares held by the Trust as at 30th September 2010 is 6,349,378 shares (31 December 2009: 5,182,378).

Pursuant to the Company's share option plan, 225,000 shares were re-issued by the trust during the nine months ended 30th September 2010.

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

See above.

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.

See 1 (d) (ii)

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 2009.

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.

- IAS 27R – Consolidated and separate financial statements
- IAS 39 (Amendment) – 'Financial instruments : Recognition and measurement'
- IFRS 3R – Business combinations
- IFRS 2 (amendments) – 'Group cash-settled and share based payment transactions'
- Annual Improvement Project which includes amendments to IFRS 5, IAS 38, IAS 1, IAS 7, IAS 17, IAS 36, IFRIC 17, IFRIC 19

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

6. Earnings per ordinary share

	Jan – Sep 2010	Jan – Sep 2009	Jul – Sep 2010	Jul – Sep 2009
(a) Based on weighted average number of ordinary shares on issue (US cents per share)	(0.59)	0.66	0.20	(0.97)
(b) On fully diluted basis (US cents per share)	(0.59)	0.66	0.20	(0.97)

7. Net Asset Value

	Group		Company	
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
Net asset value per ordinary share based on issued share capital (US cents per share)	22.90	23.00	12.85	13.07

8. Review of Performance of the Group

Nine Months ended 30th September 2010 (9M 2010) compared to the Nine Months ended 30th September 2009 (9M 2009)
3rd Quarter ended 30th September 2010 (3Q 2010) compared to the 3rd Quarter ended 30th September 2009 (3Q 2009)

	Jan - Sep 2010	Jan - Sep 2009	% Increase / (Decrease)	Jul – Sep 2010	Jul – Sep 2009	% Increase / (Decrease)
Volume - Mts million	11.5	11.1	3.6	3.8	3.7	2.7
Retail volume – Mts million	7.2	6.6	9.1	2.3	2.2	4.5
Average Sales Value per MT - US\$	453.3	343.0	32.2	438.7	432.7	1.4
Average Purchase Cost per MT US\$ (note a)	444.6	329.8	34.8	429.5	425.5	1.0
Gross Contribution - US\$ million (note b)	47.6	78.3	(39.2)	21.3	2.8	N/M
Gross Contribution per MT - US\$	4.1	7.0	(41.4)	5.6	0.8	N/M
Revenue - US\$ million	5,304.1	3,910.5	35.6	1,699.8	1,635.2	4.0
(Loss) / Profit before Tax - US\$ million	(15.5)	13.2	N/M	0.3	(16.0)	N/M
(Loss) / Profit after tax - US\$ million	(8.4)	7.4	N/M	2.3	(12.3)	N/M
(Loss) / Profit after tax and minority interest - US\$ million	(7.7)	8.5	N/M	2.6	(12.6)	N/M
Earnings per Share						
- Basic US cents per share	(0.59)	0.66	N/M	0.20	(0.97)	N/M
- Diluted US cents per share	(0.59)	0.66	N/M	0.20	(0.97)	N/M

MT = Metric ton

N/M = Not meaningful

Note:

- Average purchase cost includes the gains or losses on commodity swaps and futures.
- Gross contribution is calculated as revenue minus derivative financial instruments (gains) / losses net, inventories recognised as an expense, barging and pipeline costs, chartering expenses, rentals on operating leases, demurrage costs and service and commission expenses. Revenues and expenses that are not part of the core trading and logistics businesses have not been considered for such gross contribution calculations.

Consolidated Income Statement

Revenue

The Group's revenue for 3Q 2010 was higher by 4 % at US\$ 1.7 billion as against US\$ 1.6 billion for 3Q 2009. For 9M 2010 the Group's revenue was higher by 36% at US\$ 5.3 billion compared to US\$ 3.9 billion for 9M 2009.

Volumes & Average prices

3rd Quarter & 9 Months

The Group's sales volume for 3Q 2010 was 3.8 million metric tons as compared to 3.7 million metric tons in 3Q 2009, an increase of 3%. The Group's sales volume in 9M 2010 was 11.5 million metric tons as compared to 11.1 million metric tons in 9M 2009, an increase of 4%. Increased retail sales in Americas and Asia are the primary reason for the volume increase.

Oil prices were higher in 3Q 2010 and 9M 2010 compared to 3Q 2009 and 9M 2009 which saw an increase in the average sales value per metric ton in 3Q 2010 by 1% at US\$ 439 compared to US\$ 433 in 3Q 2009 and by 32% in 9M 2010 at US\$ 453 compared to US\$343 in 9M 2009. Average purchase prices per metric ton during the respective periods was also higher with 3Q 2010 being higher by 1% at US\$ 430 compared to US\$ 426 in 3Q 2009 and 9M 2010 being higher by 35% at US\$ 445 compared to US\$ 330 in 9M 2009.

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

3rd Quarter and 9 Months

GC increased to US\$ 21.3 million in 3Q 2010 from US\$ 2.8 million in 3Q 2009 whereas GC for 9M 2010 was lower at US\$ 47.6 million as compared to US\$ 78.3 million in 9M 2009. Similarly GCMT for 3Q 2010 was higher at US\$ 5.6 compared to US\$ 0.8 in 3Q2009 and lower in 9M 2010 at US\$ 4.1 against US\$ 7.0 in 9M 2009.

Margins have been under pressure starting from the 3rd quarter of 2009 for a variety of reasons such as the tightening of fuel supplies, reduction in arbitrage opportunities and weakness in the marine markets which resulted in significant losses in the 3rd quarter of 2009 and the 1st quarter of 2010. Although these trends have shown gradual improvement from the 2nd quarter of 2010, the pace and the size of the recovery has been weak. To mitigate these challenges, the Group has initiated active cost cutting measures to reduce direct and indirect overheads which have improved the GC and GCMT in Q3 2010. Further cost cutting measures are to be expected in the forthcoming quarters.

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

3rd Quarter & 9 Months

Barging and pipeline expenses decreased by US\$ 1.4 million or 8 % during 3Q 2010 but increased by 7% or US\$ 3.6 million for 9M 2010. Increased retail volumes in the Americas coupled with additional pipeline charges in the 1st quarter of 2010 due to shifting of inventory between tanks for rationalization of storage capacity has contributed to the increased barging and pipelines costs for the 9 months. The Group has successfully negotiated reductions in barge rates and pipeline fees in the 3rd quarter which in turn led to cost savings in 3rd quarter 2010.

Demurrage costs:

3rd Quarter

Demurrage costs were lower by US\$ 4.1 million in 3Q 2010 due to proactive measures taken by the Group and the reversal of certain provisions for prior demurrage costs which were negotiated and settled at lower levels.

Other expenses:

3rd Quarter and 9 months

Other expenses are lower by US\$ 5.5 million in 3Q 2010 and by US\$ 16 million in 9M 2010 due to reduced software expenses, cargo insurance and consulting costs as well as provision for bad debts.

Share of Associates and Joint Ventures results- net

9 Months

The Group's share of profits from associates and joint ventures was lower by US\$ 3.3 million due to lower earnings from an associate.

Income Tax expense

3rd Quarter & 9 Months

In 3Q 2010, the Group had a tax credit of US\$ 2.0 million as compared to a tax credit of US\$ 3.7 million in 3Q 2009. The Group's tax credit for 9M 2010 was US\$ 7.0 million against a tax charge of US \$ 5.9 million during 9M 2009. The Group had certain incomes taxable at concessional rates and had reported losses in certain tax jurisdictions which resulted in a tax credit in 2010.

Consolidated Statement of Financial Position

The Group's total assets decreased to US\$ 1.3 billion as at end September 2010 from US\$ 1.4 billion as at end December 2009. This decrease was mainly due to reduction in inventory levels as compared to December 2009.

<u>Asset Turnover ratios</u>	Sep 2010	Dec 2009
Inventory Days (average method)	13.9	20.4
Accounts Receivable Days (average method)	32.7	28.4
Accounts Payable Days (average method)	21.7	19.3

Other current assets decreased by US\$ 30.5 million due to decrease in advances made to suppliers of marine fuel.

Borrowings reduced to US\$ 489 million as at end September 2010 compared to US\$ 723 million as at end December 2009 (Refer to Note 1 (b) (ii)). The debt to equity ratio decreased to 162% as at end September 2010 compared to 238% as at end December 2009 whereas the long term debt to equity ratio decreased to 47% as at end September 2010 compared to 54% as at end December 2009.

Working capital was US\$ 111 million as at end September 2010 against US\$ 143 million as at end December 2009 and shareholders' funds stands at US\$ 296 million as at end September 2010.

Consolidated Cash Flow Statement

As of September 2010, the Group's net cash generated from operating activities was US\$ 252.8 million compared to cash used in operating activities of US\$ 361.0 million as at end September 2009.

The Group's cash generated from investing activities was US\$ 0.5 million compared to cash used in investing activities of US\$ 13.9 million as at end September 2009.

The Group's cash used in financing activities was US\$ 152.7 million as compared to cash generated from financing activities of US\$ 284.6 million as at end September 2009.

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 demand for marine fuel continues to show some signs of improvement while the wholesale-retail price spreads continue to remain under pressure.

11. If a decision regarding dividend has been made

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

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

b) (i) Amount per share / rate %

Not applicable.

b) (ii) Previous corresponding period /rate %

Not applicable.

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

Not applicable.

d) The date when the dividend is payable

Not applicable.

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

Not applicable.

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

Not applicable.

13. Interested person transactions

During the quarter ended 30th September 2010, the following interested person transactions were entered into by the Group,

Name of interested persons	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) US\$'000	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) US\$'000
Itochu Petroleum Company Singapore Ltd.	1,677	6,535
Itochu Enex Ltd.	-	2,731
Total	1,677	9,266

Name of interested persons	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions entered into pursuant to the SPS agreement) US\$'000	Aggregate value of all interested person transactions entered into under the SPS agreement during the financial year under review US\$'000
Glencore Ltd.	44	213,502
Glencore Singapore Pte Ltd.	-	199,983
Glencore Energy UK Ltd.	-	273
Glencore International AG	-	15,947
Glencore Commodities Ltd. – Singapore	-	33,613
Glencore Commodities Ltd.	-	42,665
ST Shipping & Transport Inc.	-	543
ST Shipping & Transport Pte Ltd. (Singapore)	-	20,748
ST Shipping & Transport Pte Ltd. (UK)	-	784
Total	44	528,058

14. Confirmation of the Board

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

We hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 3rd quarter ended 30th September 2010 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