



MISCELLANEOUS

* Asterisks denote mandatory information

Name of Announcer * DBS BANK LTD
Company Registration No. 196800306E
Announcement submitted on SINGFUEL INVESTMENT PTE. LTD.
behalf of
Announcement is submitted with CHEMOIL ENERGY LIMITED
respect to *
Announcement is submitted by * Shelino Suripin
Designation * Vice President
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title * Mandatory Unconditional Cash Offer for Chemoil Energy Limited

Description

Attachments

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MANDATORY UNCONDITIONAL 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

MANDATORY UNCONDITIONAL CASH OFFER ANNOUNCEMENT

1. INTRODUCTION

1.1 The Acquisition and the Offer. As announced by DBS Bank Ltd. ("**DBS Bank**") on 14 December 2009 (the "**Pre-Conditional Offer Announcement**"), for and on behalf of Singfuel Investment Pte. Ltd. (the "**Offeror**"), which is an indirect wholly-owned subsidiary of Glencore International AG ("**Glencore**"):

- (i) 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, 656,748,194 shares (the "**Sale Shares**", each a "**Sale Share**") in the

capital of Chemoil Energy Limited (the “**Company**”), representing approximately 50.81 per cent.¹ of the issued share capital of the Company (the “**Acquisition**”), for an aggregate consideration of US\$233,276,958.51 or US\$0.3552 per Sale Share; and

- (ii) pursuant to the requirements under the Singapore Code on Take-overs and Mergers (the “**Code**”), the Offeror intended to make a mandatory unconditional cash offer (the “**Offer**”) for all issued ordinary shares in the capital of the Company (the “**Shares**”) 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 1.2 below).

A copy of the Pre-Conditional Offer Announcement is available on the website of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) at www.sgx.com.

1.2 The Pre-Condition. In the Pre-Conditional Offer Announcement, it was stated that the Offeror would make the Offer subject to the satisfaction of the Pre-Condition. The Pre-Condition to the making of the Offer was the completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement (the “**Pre-Condition**”).

1.3 Satisfaction of the Pre-Condition. The Acquisition was completed in accordance with the terms and conditions of the Share Purchase Agreement on 26 February 2010 and accordingly, the Pre-Condition was satisfied on the date of this Announcement. **Pursuant to the satisfaction of the Pre-Condition, DBS Bank wishes to announce, for and on behalf of the Offeror, the Offeror’s firm intention to make the Offer.**

1.4 Aggregate Holding. As at the date of this Announcement, the Offeror and parties acting in concert with the Offeror own or control in aggregate 656,748,194 Shares, representing approximately 50.81 per cent. of the Shares.

2. THE OFFER

2.1 Offer Terms. Subject to the terms and conditions set out in the offer document to be issued by DBS Bank for and 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 the Shares not already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the “**Offer Shares**”, each an “**Offer Share**”) in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Code;

¹ In this Announcement, for the purposes of computation of any percentage shareholdings, the total number of Shares is 1,292,612,000 (including treasury shares) based on the unaudited financial information of the Company for the fourth quarter and full year ended 31 December 2009.

- (ii) the price for each Offer Share (the “**Offer Price**”) will be as follows:

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

- (iii) the Offer 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 this Announcement 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 this Announcement. **If any dividend, other distribution or return of capital is declared by the Company on or after the date of this Announcement to a shareholder of the Company who accepts or has accepted the Offer and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such dividend, other distribution or return of capital, the Offeror reserves the right to reduce the Offer Price payable to such accepting shareholder of the Company by the amount of such dividend, other distribution or return of capital.**

2.2 No Condition. The Offer will be unconditional in all respects.

2.3 No Revision of Offer Price. The Offeror does not intend to revise the Offer Price.

2.4 Options. 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, DBS Bank, for and on behalf of 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).

- 2.5 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 1** to this Announcement.
- 2.6 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.
- 2.7 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 15 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 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. THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

5.1 On 5 February 2010, Glencore, ST Shipping and Transport Pte. Ltd. ("**ST Shipping**"), which is a subsidiary of Glencore, and the Company entered into a Sales, Purchase and Services Agreement (the "**SPS Agreement**") pursuant to which, *inter alia*:

- (i) the Company shall, and shall cause its Subsidiaries (as defined in the SPS Agreement) to, grant Glencore and its Subsidiaries an opportunity to supply on a First Look Basis (as defined in the SPS Agreement as one party to the SPS Agreement providing the other party to the SPS Agreement with the first notice of an opportunity to bid on Fuel Oil (as defined in the SPS Agreement) supply, Bunker Fuel (as defined in the SPS Agreement) supply, Shipping Requirements (as defined in the SPS Agreement) or hedging requirements, as the case may be, before that notice is provided to third parties) a mutually agreed volume of the aggregate requirements of the Company and its Subsidiaries for Bunker Fuel and Fuel Oil at the worldwide bunkering and marine fuels facilities of the Company and its Subsidiaries;
- (ii) in the event any of the Company or its Subsidiaries wishes to sell any cargo of petroleum products to any of Glencore or its Subsidiaries and any of Glencore or its Subsidiaries wishes to purchase such cargo, the parties to the SPS Agreement shall negotiate in good faith the terms of a sales agreement;
- (iii) as and when the Company or its Subsidiaries need to charter vessels, the Company shall on a First Look Basis provide ST Shipping with an opportunity to bid to arrange such charter;
- (iv) ST Shipping shall on a First Look Basis, provide the Company with an opportunity to bid to supply Bunker Fuel to ST Shipping when a vessel owned or chartered by

ST Shipping for its oil activities requires Bunker Fuel in a port that is serviced by the Company or its Subsidiaries;

- (v) as and when the Company or its Subsidiaries need to place a hedge on any over-the-counter markets in Fuel Oil worldwide, the Company shall on a First Look Basis provide Glencore with an opportunity to arrange such hedge on 100 per cent. of its hedging requirements; and
- (vi) in the event that any of the Company or its Subsidiaries wishes to lease any terminal capacity or provide other terminal services to any of Glencore or its Subsidiaries and any of Glencore or its Subsidiaries wishes to lease such capacity or receive such terminal services from any of the Company or its Subsidiaries, the parties to the SPS Agreement shall negotiate in good faith the terms of a terminaling agreement.

Details of the SPS Agreement between Glencore, ST Shipping and the Company are set out in an announcement released by the Company on 5 February 2010 on the website of SGX-ST at www.sgx.com.

- 5.2** Following the close of the Offer, the Offeror intends to undertake a comprehensive review of the organisation, businesses and operations of the Company, its subsidiaries and associated companies (the “**Chemoil Group**”) with the objective of identifying any other areas, in addition to the SPS Agreement, in which Glencore and its subsidiaries can add value (the “**Review**”).

There will be changes to the operations of the Company arising from the implementation of the SPS Agreement. In addition, further changes may be introduced to the Company pursuant to the Review and the implementation of any actions or steps identified under the Review. The Offeror does not otherwise have any current intention to (i) introduce any major changes to the business of the Company, (ii) re-deploy the Company’s fixed assets, or (iii) discontinue the employment of any of the existing employees of the Chemoil Group, other than in the ordinary course of business, and intends to continue the existing activities of the Company and its subsidiaries. In light of the Review, the Offeror retains the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which the Offeror may regard to be in the interest of the Chemoil Group.

6. 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 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 10 per cent. of the Shares (excluding treasury shares) are held by at least 500 shareholders of the Company who are members of the public.

In addition, under Rule 724 of the Listing Manual, if the percentage of the Shares held in public hands falls below 10 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. Pursuant to Rule 725 of the Listing Manual, the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares held by members of the public to at least 10 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 the ninth schedule of the Hong Kong Companies Ordinance, Chapter 32 (the “**Companies Ordinance**”) as described in Section 7 below, depending, inter alia, on the ultimate level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

7. **COMPULSORY ACQUISITION**

Compulsory Acquisition. Pursuant to section 168 of and part 1 of the ninth schedule to the Companies Ordinance, if the Offeror (together with its group companies and their respective nominees) acquires not less than 90 per cent. of the Offer Shares during the period of four months from the date of despatch of the Offer Document, either by virtue of valid acceptances of the Offer or otherwise, the Offeror would be entitled to exercise the right to compulsorily acquire all the Offer Shares which it has not so acquired on the same terms as those offered under the Offer unless, upon an application being made to the Hong Kong court by a shareholder of the Company within a specified time, the court thinks fit to order otherwise. In the event the Offeror is entitled to exercise its right under part 1 of the ninth schedule to the Companies Ordinance, the Offeror reserves its right to compulsorily acquire all the Offer Shares which it has not so acquired, subject to the considerations highlighted in Section 6 above.

In addition, pursuant to section 168 of and part 2 of the ninth schedule to the Companies Ordinance, if the Offeror (together with its group companies and their respective nominees) acquires such number of Shares during the period ending on the closing date of the Offer (the “**Closing Date**”) which, together with the Shares already held by it, its group companies and their respective nominees, comprises not less than 90 per cent. of all the Shares, the holder of any Offer Shares who has not accepted the Offer on or before the Closing Date has the right to require the Offeror to acquire its Offer Shares on the same terms as those offered under the Offer, or on such other terms as may be agreed or as the Hong Kong court, on the application of the holder of the Offer Shares or the Offeror, thinks fit to order, within a specified time period. Shareholders of the Company who wish to exercise this right are advised to seek their own independent legal advice.

8. **FINANCIAL ASPECTS OF THE OFFER**

- 8.1 **Determination of the Offer Price.** The Offer Price is based on the consideration per Sale Share (the “**Purchase Consideration**”) paid 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.

8.2 Benchmarking the Offer. The Offer Price represents:

- (i) a discount of approximately 4.0 per cent. to the last traded price of US\$0.370 per Share as quoted on the SGX-ST on 25 February 2010, being the last trading day of the Shares on the SGX-ST preceding the date of this Announcement;
- (ii) a discount of approximately 21.1 per cent. to the last traded price of US\$0.450 per Share as quoted on the SGX-ST on 11 December 2009, being the last trading day of the Shares on the SGX-ST preceding the date of the Pre-Conditional Offer Announcement; and
- (iii) a premium of 54.4 per cent. over the net asset value per Share of the Company and its subsidiaries of approximately US\$0.2300 as at 31 December 2009.

9. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

9.1 Holdings and Dealings in Shares. Appendix 2 to this Announcement sets out:

- (i) the number of Shares owned, controlled or agreed to be acquired by the Offeror, its directors and parties acting or deemed to be acting in concert with the Offeror as at the date of this Announcement; and
- (ii) the dealings in the Shares by the Offeror, its directors and parties acting or deemed to be acting in concert with the Offeror during the period commencing six months prior to the Pre-Conditional Offer Announcement and ending on the date of this Announcement (the “**Reference Period**”).

9.2 No Other Holdings and Dealings. Save as disclosed in this Announcement, none of the Offeror, its directors and parties acting or deemed to be acting in concert with the Offeror owns, controls or has agreed to acquire or has dealt for value during the Reference Period in any (a) Shares, (b) securities which carry voting rights in the Company, (c) securities which are convertible into Shares, or (d) rights to subscribe for, or options in respect of Shares or such securities.

10. 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.

11. OFFER DOCUMENT

Further information on the Offer will be set out in the Offer Document. The Offer Document, which will contain the terms and conditions of the Offer and enclose the appropriate form(s) of acceptance, will be despatched to the holders of the Offer Shares not earlier than 14 days and not later than 21 days from the date of this Announcement. The Offer will remain open for acceptances by shareholders of the Company for a period of at least 28 days from the date of posting of the Offer Document.

12. 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.

26 February 2010

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

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, DBS Bank, for and on behalf of 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. **Options Proposal.** DBS Bank, for and on behalf of the Offeror, will instead make the Options Proposal where, 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 or any 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. Details of the Options Proposal will be despatched to the holders of the Options no later than the date of despatch of the Offer Document.

3. **Option Price.** The Option Price is computed 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.

Appendix 2

DISCLOSURE OF SHAREHOLDINGS AND DEALINGS IN SHARES

1. HOLDINGS OF SHARES

Shares held by the Offeror, its directors and parties acting or deemed to be acting in concert with the Offeror as at the date of this Announcement:

Name	No. of Shares					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Offeror	656,748,194	50.81	-	-	656,748,194	50.81
Glencore Asian Holdings Pte. Ltd. ⁽¹⁾	-	-	656,748,194	50.81	656,748,194	50.81
Glencore	-	-	656,748,194	50.81	656,748,194	50.81

Note:

⁽¹⁾ Glencore Asian Holdings Pte. Ltd. is the immediate holding company of the Offeror and is a wholly-owned subsidiary of Glencore.

2. DEALINGS IN SHARES

Details of dealings in Shares during the Reference Period by the Offeror, its directors and parties acting or deemed to be acting in concert with the Offeror as at the date of this Announcement:

Name	Date	No. of Shares Acquired	Transaction Price per Share (US\$)
The Offeror	Completed the Acquisition on 26 February 2010	656,748,194	0.3552