



Chemoil Energy Limited
Unaudited Financial Information for the 2nd Quarter and Half Year ended 30th June 2010

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

| | GROUP | | | GROUP | | |
|---|-------------------|-------------------|---------------------------|-------------------|-------------------|---------------------------|
| | Jan – Jun 2010 | Jan – Jun 2009 | % Increase/ (Decrease) | Apr – Jun 2010 | Apr – Jun 2009 | % Increase/ (Decrease) |
| Revenue | 3,604,274 | 2,275,300 | 58 | 1,855,864 | 1,293,755 | 43 |
| Other gains/(losses) – net | 22,798 | (103,047) | N/M | 12,575 | (81,740) | N/M |
| Revenue and other gains/(losses) – net | 3,627,072 | 2,172,253 | 67 | 1,868,439 | 1,212,015 | 54 |
| Expenses | | | | | | |
| - Inventories recognized as an expense | 3,496,513 | 1,993,629 | 75 | 1,801,960 | 1,117,025 | 61 |
| - Barging and pipelines costs | 36,131 | 31,202 | 16 | 17,803 | 16,154 | 10 |
| - Chartering and other shipping related expenses | 9,143 | 12,254 | (25) | 2,838 | 6,751 | (58) |
| - Rentals for office premises, storage tanks and motor vehicles | 18,620 | 17,965 | 4 | 8,967 | 8,795 | 2 |
| - Demurrage costs | 8,912 | 6,494 | 37 | 4,078 | 2,621 | 56 |
| - Employee benefits | 23,331 | 25,412 | (8) | 11,250 | 13,013 | (14) |
| - Marketing and communication expenses | 3,417 | 3,538 | (3) | 1,777 | 1,572 | 13 |
| - Service and commission expenses | 7,614 | 7,176 | 6 | 3,337 | 3,313 | 1 |
| - Other expenses | 20,635 | 31,123 | (34) | 10,307 | 17,090 | (40) |
| - Depreciation and amortization | 9,405 | 10,451 | (10) | 4,549 | 5,347 | (15) |
| - Finance expense | 11,707 | 9,758 | 20 | 5,867 | 5,021 | 17 |
| Total expenses | 3,645,428 | 2,149,002 | 70 | 1,872,733 | 1,196,702 | 56 |
| Share of results of associates and joint ventures - net | 2,593 | 5,982 | (57) | 3,037 | 2,480 | 22 |
| (Loss) / profit before income tax | (15,763) | 29,233 | N/M | (1,257) | 17,793 | N/M |
| Income tax credit / (expense)* | 5,089 | (9,601) | N/M | 4,501 | (6,113) | N/M |
| (Loss) / profit for the period | (10,674) | 19,632 | N/M | 3,244 | 11,680 | (72) |
| Attributable to: | | | | | | |
| Equity holders of the Company | (10,297) | 21,076 | N/M | 3,235 | 12,231 | (74) |
| Minority interest | (377) | (1,444) | (74) | 9 | (551) | N/M |
| | (10,674) | 19,632 | N/M | 3,244 | 11,680 | (72) |

N/M = Not meaningful

* = Please refer to note on Page # 13

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

| | GROUP | | | GROUP | | |
|---|-------------------|-------------------|---------------------------|-------------------|-------------------|---------------------------|
| | Jan – Jun 2010 | Jan – Jun 2009 | % Increase/ (Decrease) | Apr – Jun 2010 | Apr – Jun 2009 | % Increase/ (Decrease) |
| (Loss) / profit for the period | (10,674) | 19,632 | N/M | 3,244 | 11,680 | (72) |
| Other comprehensive income: | | | | | | |
| Income/(loss) recognised directly in equity | | | | | | |
| Cash flow hedges | (1,457) | 3,122 | N/M | (1,053) | 2,266 | N/M |
| Currency translation differences | (2,867) | (1,062) | N/M | (2,724) | 6,378 | N/M |
| Other comprehensive (loss) / income for the period | (4,324) | 2,060 | N/M | (3,777) | 8,644 | N/M |
| Total comprehensive (loss) / income for the period | (14,998) | 21,692 | N/M | (533) | 20,324 | N/M |
| Total comprehensive (loss) / income attributable to: | | | | | | |
| Equity holders of the Company | (14,050) | 23,116 | N/M | (11) | 20,844 | N/M |
| Minority interest | (948) | (1,424) | (33) | (522) | (520) | - |
| | (14,998) | 21,692 | N/M | (533) | 20,324 | N/M |
| | | | | | | |

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

| | GROUP | | | GROUP | | |
|---|-------------------|-------------------|------------------------------|-------------------|-------------------|------------------------------|
| | Jan – Jun 2010 | Jan – Jun 2009 | % Increase/ (Decrease) | Apr - Jun 2010 | Apr - Jun 2009 | % Increase/ (Decrease) |
| <u>Other gains/(losses) – net includes the following:</u> | | | | | | |
| (a) Derivatives financial instruments – net (See note a) | 16,760 | (103,821) | N/M | 12,356 | (81,941) | 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 | (25) | 188 | N/M | 57 | 330 | (83) |
| <u>The income statement includes the following income / (expenses)</u> | | | | | | |
| (a) Interest income | 321 | 352 | 9 | 68 | 143 | (52) |
| (b) Foreign exchange losses | (477) | (244) | 95 | (30) | (575) | (95) |
| (c) Loss on disposal of property plant and equipment | (1,707) | (37) | N/M | (10) | - | N/M |
| (d) Write-back of/(allowance for) doubtful debts | 256 | (2,783) | N/M | (177) | (1,293) | (86) |
| (e) Overprovision of tax | 1,233 | - | N/M | 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 realised net gains of US\$ 12.4 million from its derivative financial instruments during 2Q 2010 as compared to losses of US\$ 81.9 million during 2Q 2009.
- 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-Jun-10 | 31-Dec-09 | % Increase/ (Decrease) | 30-Jun-10 | 31-Dec-09 | % Increase/ (Decrease) |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 73,889 | 70,379 | 5 | 1,176 | 787 | 49 |
| Derivative financial instruments | 5,425 | 206 | N/M | - | - | - |
| Other financial assets at fair value through profit or loss | 1,001 | 1,026 | (2) | 1,001 | 1,026 | (2) |
| Other current assets | 14,951 | 50,952 | (71) | 89 | 181 | (51) |
| Trade and other receivables | 578,766 | 582,662 | (1) | 83,154 | 110,438 | (25) |
| Inventories | 178,650 | 359,377 | (50) | - | - | - |
| | 852,682 | 1,064,602 | (20) | 85,420 | 112,432 | (24) |
| Non-current assets | | | | | | |
| Trade and other receivables | 7,887 | 7,448 | 6 | - | - | - |
| Other non-current assets | 3,083 | 2,996 | 3 | - | - | - |
| Investments in associates | 40,262 | 42,314 | (5) | 14,691 | 14,691 | - |
| Investments in joint ventures | 27,738 | 28,316 | (2) | 16,916 | 16,462 | 3 |
| Investments in subsidiaries | - | - | - | 211,921 | 211,921 | - |
| Intangible assets | 16,166 | 17,174 | (6) | 39 | - | N/M |
| Property, plant and equipment | 225,828 | 232,787 | (3) | - | 13 | N/M |
| Deferred income tax assets | 14,824 | 9,009 | 65 | - | - | - |
| | 335,788 | 340,044 | (1) | 243,567 | 243,087 | - |
| Total assets | 1,188,470 | 1,404,646 | (15) | 328,987 | 355,519 | (7) |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 351,897 | 326,735 | 8 | 34,025 | 62,580 | (46) |
| Derivative financial instruments | 6,254 | 26,142 | (76) | 3,648 | 3,231 | 13 |
| Current income tax liabilities | 2,644 | 5,624 | (53) | - | - | - |
| Borrowings | 368,763 | 557,416 | (34) | 80,208 | 80,208 | - |
| Provisions for other liabilities and charges | 3,277 | 5,334 | (39) | - | - | - |
| | 732,835 | 921,251 | (21) | 117,881 | 146,019 | (19) |
| Non-current liabilities | | | | | | |
| Borrowings | 147,669 | 165,238 | (11) | 35,129 | 36,875 | (5) |
| Derivative financial instruments | 5,414 | 3,986 | 36 | 4,753 | 3,686 | 29 |
| Deferred income tax liabilities | 5,789 | 4,542 | 28 | - | - | - |
| Provisions for other liabilities and charges | 6,415 | 5,466 | 17 | - | - | - |
| | 165,287 | 179,232 | (8) | 39,882 | 40,561 | (2) |
| Total liabilities | 898,122 | 1,100,483 | (18) | 157,763 | 186,580 | (15) |
| NET ASSETS | 290,348 | 304,163 | (5) | 171,224 | 168,939 | 1 |
| 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 | (1,177) | (1,230) | (4) | - | - | - |
| Merger reserve | 3,529 | 3,529 | - | - | - | - |
| Other reserves | (3,193) | (570) | N/M | 1,894 | 750 | N/M |
| Retained earnings | 199,466 | 209,763 | (5) | 83,512 | 82,371 | 1 |
| | 284,443 | 297,310 | (4) | 171,224 | 168,939 | 1 |
| Minority interest | 5,905 | 6,853 | (14) | - | - | - |
| Total equity | 290,348 | 304,163 | (5) | 171,224 | 168,939 | 1 |

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

| | 30-Jun-10 | | 31-Dec-09 | |
|--|-----------|-----------|-----------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| Amount repayable in one year or less, or on demand | 367,533 | 1,230 | 554,187 | 3,229 |
| Amount repayable after one year | 147,279 | 390 | 164,820 | 418 |
| Total | 514,812 | 1,620 | 719,007 | 3,647 |

| Details of any collateral | 30-Jun-10 | 31-Dec-09 |
|---|-----------|-----------|
| Secured on current assets of subsidiaries | 134,921 | 327,482 |
| Secured against trade receivables under a receivables purchase agreement of a subsidiary (See Note a below) | 203,385 | 199,042 |
| Secured on property, plant and equipment and lease rentals of subsidiaries | 176,331 | 192,288 |
| Secured on other property, plant and equipment of a subsidiary (See Note b below) | 175 | 195 |
| Total | 514,812 | 719,007 |

Note:

- a) The gross amount of trade receivables secured under the receivables purchase agreement is US\$ 251,348 (2009: US\$235,672)
- b) The carrying amount of motor vehicles pledged as security for borrowings is US\$ 210 (2009: US\$226).

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

| | GROUP | | GROUP | |
|---|------------------|------------------|-----------------|-----------------|
| | Jan – Jun 2010 | Jan – Jun 2009 | Apr – Jun 2010 | Apr – Jun 2009 |
| Cash flows from operating activities | | | | |
| (Loss) / profit for the period | (10,674) | 19,632 | 3,244 | 11,680 |
| Adjustments for: | | | | |
| Income tax (credit) / expense | (5,089) | 9,601 | (4,501) | 6,113 |
| Share option expense | 1,144 | 236 | - | 118 |
| Depreciation and amortization | 9,405 | 10,414 | 4,549 | 5,310 |
| Net loss on disposals of property, plant and equipment | 1,707 | 37 | 10 | - |
| Fair value losses / (gains) on other financial assets at fair value through profit or loss | 25 | (188) | (57) | (330) |
| Unrealised translation gains | (1,796) | (2,322) | (705) | (2,933) |
| Share of results of associates and joint ventures | (2,593) | (5,982) | (3,037) | (2,480) |
| Interest income | (321) | (352) | (68) | (143) |
| Finance expense | 11,707 | 9,758 | 5,867 | 5,021 |
| | 3,515 | 40,834 | 5,302 | 22,356 |
| <i>Changes in working capital, net of effects of acquisitions and disposals of subsidiaries</i> | | | | |
| Derivative financial instruments | (25,135) | 64,319 | (3,194) | 26,671 |
| Other assets | 35,646 | 190 | (3,306) | 11,247 |
| Trade and other receivables | 3,895 | (233,769) | 185,742 | (67,261) |
| Inventories | 180,727 | (243,933) | 131,060 | (186,292) |
| Trade and other payables | 25,162 | 120,563 | (172,540) | 97,378 |
| Provisions for other liabilities and charges | (1,108) | 270 | 940 | 415 |
| Cash generated from / (used in) operations | 222,702 | (252,066) | 144,004 | (95,486) |
| Income tax paid | (2,459) | (2,800) | (970) | (2,764) |
| Net cash generated from / (used in) operating activities | 220,243 | (254,866) | 143,034 | 98,250 |
| Cash flows from investing activities | | | | |
| Purchases of property, plant and equipment | (2,451) | (4,388) | (1,165) | (2,642) |
| Proceeds from disposal of property, plant and equipment | 753 | 109 | (86) | 61 |
| Purchase of intangible assets | (493) | (394) | (220) | (201) |
| Investment in joint ventures | (455) | (5,000) | (455) | - |
| Other receivables | (439) | - | (129) | - |
| Interest received | 321 | 352 | 68 | 143 |
| Dividends received from associates | 1,422 | - | 1,075 | - |
| Dividends received from joint ventures | 2,500 | - | - | - |
| Net cash generated from / (used in) investing activities | 1,158 | (9,321) | (912) | (2,639) |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | 72,692 | 289,972 | 43,692 | 145,377 |
| Repayments of borrowings | (198,875) | (34,570) | (78,716) | (26,547) |
| Interest paid | (11,707) | (9,758) | (5,867) | (5,021) |
| Bank balances and deposits pledged with banks for bank loans | (13,390) | (1,557) | (9,545) | (3,664) |
| Purchase of treasury shares | - | (1,282) | - | (119) |
| Proceeds from re-issuance of treasury shares | 39 | - | 39 | - |
| Dividend paid to shareholders | - | (6,463) | - | (6,463) |
| Net cash (used in) / generated from financing activities | (151,241) | 236,342 | (50,397) | 103,563 |
| Net increase / (decrease) in cash and cash equivalents | 70,160 | (27,845) | 91,725 | 2,674 |
| Cash and cash equivalents at beginning of financial period | (82,462) | 49,619 | (104,027) | 19,100 |
| Cash and cash equivalents at end of financial period | (12,302) | 21,774 | (12,302) | 21,774 |
| Cash and cash equivalents: | | | | |
| Cash and bank balances | 73,889 | 58,609 | 73,889 | 58,609 |
| Bank balances and deposits pledged with banks for bank loans | (34,131) | (11,719) | (34,131) | (11,719) |
| Bank overdrafts | (52,060) | (25,116) | (52,060) | (25,116) |
| Total | (12,302) | 21,774 | (12,302) | 21,774 |

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

| GROUP HALF YEAR | ← <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 January 2010 | 2 | (1,230) | 3,529 | 85,816 | (570) | 209,763 | 297,310 | 6,853 | 304,163 |
| Employee share option scheme: | | | | | | | | | |
| - Value of services rendered | - | - | - | - | 1,144 | - | 1,144 | - | 1,144 |
| - Treasury shares re-issued | - | 53 | - | - | (14) | - | 39 | - | 39 |
| Total comprehensive loss for the period | - | - | - | - | (3,753) | (10,297) | (14,050) | (948) | (14,998) |
| Balance as at 30 June 2010 | 2 | (1,177) | 3,529 | 85,816 | (3,193) | 199,466 | 284,443 | 5,905 | 290,348 |
| 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 | - | - | - | - | 236 | - | 236 | - | 236 |
| Dividend relating to 2008 | - | - | - | - | - | (6,463) | (6,463) | - | (6,463) |
| Total comprehensive income / (loss) for the period | - | - | - | - | 2,040 | 21,076 | 23,116 | (1,424) | 21,692 |
| Balance as at 30 June 2009 | 2 | (1,282) | 3,529 | 85,816 | (6,449) | 219,372 | 300,988 | 4,473 | 305,461 |

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 June 2010
(in US \$'000, unless otherwise stated)**

| GROUP | ← <u>Attributable to the equity holders of the Company</u> → | | | | | | | Minority interests | Total Equity |
|---|--|--|-----------------------|----------------------|-----------------------|--------------------------|----------------|--------------------|----------------|
| | <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> | | |
| 2nd QUARTER | | | | | | | | | |
| Balance as at 1 April 2010 | 2 | (1,230) | 3,529 | 85,816 | 67 | 196,231 | 284,415 | 6,427 | 290,842 |
| Employee share option scheme: - Treasury shares re-issued | - | 53 | - | - | (14) | - | 39 | - | 39 |
| Total comprehensive (loss) / income for the period | - | - | - | - | (3,246) | 3,235 | (11) | (522) | (533) |
| Balance as at 30 June 2010 | <u>2</u> | <u>(1,177)</u> | <u>3,529</u> | <u>85,816</u> | <u>(3,193)</u> | <u>199,466</u> | <u>284,443</u> | <u>5,905</u> | <u>290,348</u> |
| Balance as at 1 April 2009 | 2 | (1,163) | 3,529 | 85,816 | (15,180) | 213,604 | 286,608 | 4,993 | 291,601 |
| Purchase of treasury shares | - | (119) | - | - | - | - | (119) | - | (119) |
| Employee share option scheme: - Value of services rendered | - | - | - | - | 118 | - | 118 | - | 118 |
| Dividend relating to 2008 | - | - | - | - | - | (6,463) | (6,463) | - | (6,463) |
| Total comprehensive income/ (loss) for the period | - | - | - | - | 8,613 | 12,231 | 20,844 | (520) | 20,324 |
| Balance as at 30 June 2009 | <u>2</u> | <u>(1,282)</u> | <u>3,529</u> | <u>85,816</u> | <u>(6,449)</u> | <u>219,372</u> | <u>300,988</u> | <u>4,473</u> | <u>305,461</u> |

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 June 2010
(in US \$'000, unless otherwise stated)**

| COMPANY HALF YEAR | <u>Share capital</u> | <u>Share premium</u> | <u>Other Reserves</u> | <u>Retained earnings</u> | <u>Total equity</u> |
|---|---------------------------------|---------------------------------|----------------------------------|-------------------------------------|--------------------------------|
| Balance as at 1 January 2010 | 2 | 85,816 | 750 | 82,371 | 168,939 |
| Employee share option scheme: - Value of services rendered | - | - | 1,144 | - | 1,144 |
| Total comprehensive income for the period | - | - | - | 1,141 | 1,141 |
| Balance as at 30 June 2010 | 2 | 85,816 | 1,894 | 83,512 | 171,224 |
| 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 | - | - | 236 | - | 236 |
| Dividend relating to 2008 | - | - | - | (6,463) | (6,463) |
| Total comprehensive loss for the period | - | - | - | (2,281) | (2,281) |
| Balance as at 30 June 2009 | 2 | 85,816 | 135 | 62,735 | 148,688 |

| COMPANY 2nd QUARTER | <u>Share capital</u> | <u>Share premium</u> | <u>Other Reserves</u> | <u>Retained earnings</u> | <u>Total equity</u> |
|---|---------------------------------|---------------------------------|----------------------------------|-------------------------------------|--------------------------------|
| Balance as at 1 April 2010 | 2 | 85,816 | 1,894 | 85,503 | 173,215 |
| Total comprehensive loss for the period | - | - | - | (1,991) | (1,991) |
| Balance as at 30 June 2010 | 2 | 85,816 | 1,894 | 83,512 | 171,224 |
| Balance as at 1 April 2009 | 2 | 85,816 | 517 | 69,520 | 155,855 |
| Contribution to Trust ¹ | - | - | (500) | - | (500) |
| Employee share option scheme: - Value of services rendered | - | - | 118 | - | 118 |
| Dividend relating to 2008 | - | - | - | (6,463) | (6,463) |
| Total comprehensive loss for the period | - | - | - | (322) | (322) |
| Balance as at 30 June 2009 | 2 | 85,816 | 135 | 62,735 | 148,688 |

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 June 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 1,287,654,622 (31 December 2009: 1,287,429,622) ordinary shares.

Treasury shares held by the Trust as at 30th June 2010 is 4,957,378 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 second quarter of 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 - Jun 2010 | Jan - Jun 2009 | Apr - Jun 2010 | Apr - Jun 2009 |
|---|-------------------|-------------------|-------------------|-------------------|
| (a) Based on weighted average number of ordinary shares on issue (US cents per share) | (0.80) | 1.63 | 0.25 | 0.94 |
| (b) On fully diluted basis (US cents per share) | (0.80) | 1.63 | 0.25 | 0.94 |

7. Net Asset Value

| | Group | | Company | |
|---|-----------|-----------|-----------|-----------|
| | 30-Jun-10 | 31-Dec-09 | 30-Jun-10 | 31-Dec-09 |
| Net asset value per ordinary share based on issued share capital (US cents per share) | 22.00 | 23.00 | 13.25 | 13.07 |

8. Review of Performance of the Group

1st Half ended 30th June 2010 (1H 2010) compared to the 1st Half ended 30th June 2009 (1H 2009)
2nd Quarter ended 30th June 2010 (2Q 2010) compared to the 2nd Quarter ended 30th June 2009 (2Q 2009)

| | Jan - Jun 2010 | Jan - Jun 2009 | % Increase / (Decrease) | Apr - Jun 2010 | Apr - Jun 2009 | % Increase / (Decrease) |
|---|-------------------|-------------------|----------------------------|-------------------|-------------------|----------------------------|
| Volume - Mts million | 7.7 | 7.4 | 4.1 | 4.0 | 3.7 | 8.1 |
| Retail volume - Mts million | 4.9 | 4.4 | 11.4 | 2.3 | 2.2 | 4.5 |
| Average Sales Value per MT - US\$ | 460.6 | 298.3 | 54.4 | 456.2 | 343.6 | 32.8 |
| Average Purchase Cost per MT US\$ (note a) | 452.0 | 282.1 | 60.2 | 446.7 | 326.2 | 36.9 |
| Gross Contribution - US\$ million (note b) | 26.2 | 75.5 | (65.3) | 19.8 | 42.7 | (53.6) |
| Gross Contribution per MT - US\$ | 3.4 | 10.2 | (66.7) | 5.0 | 11.6 | (56.9) |
| Revenue - US\$ million | 3,604.3 | 2,275.3 | 58.4 | 1,855.9 | 1,293.8 | 43.4 |
| Profit before Tax - US\$ million | (15.8) | 29.2 | N/M | (1.3) | 17.8 | N/M |
| Profit after tax US\$ million | (10.7) | 19.6 | N/M | 3.2 | 11.7 | (72.7) |
| Profit after tax and minority interest US\$ million | (10.3) | 21.1 | N/M | 3.2 | 12.2 | (73.8) |
| Earnings per Share | | | | | | |
| - Basic US cents per share | (0.80) | 1.63 | N/M | 0.25 | 0.94 | (73.4) |
| - Diluted US cents per share | (0.80) | 1.63 | N/M | 0.25 | 0.94 | (73.4) |

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 recognized 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 2Q 2010 was higher by 43% at US\$ 1.9 billion as against US\$1.3 billion for 2Q 2009. For 1H 2010 the Group's revenue was higher by 58% at US\$ 3.6 billion compared to US\$2.3 billion for 1H 2009.

Volumes & Average prices

2nd Quarter & 1st Half

The Group's sales volume for 2Q 2010 was 4 million metric tons as compared to 3.7 million metric tons in 2Q 2009, an increase of 8%. The Group's sales volume for 1H 2010 was 7.7 million metric tons as compared to 7.4 million metric tons for the 1H 2009, an increase of 4%. The increase in volume was due to higher retail volume in Americas and Asia. Europe witnessed a decline in retail volume which was partially compensated by increased ex-wharf sales.

Oil prices were higher in 2Q 2010 compared to 2Q 2009 which increased the average sales value in 2Q 2010 by 33% at US\$ 456 per metric ton compared to US\$ 344 per metric ton in 2Q 2009. The increase in purchase costs in 2Q 2010 was 37 % at US\$ 447 per metric ton compared to US\$ 326 per metric ton in 2Q 2009.

The average sales value per metric ton realized during the 1H 2010 was higher by 54% at US\$461 per metric ton against US\$ 298 per metric ton in 1H 2009. The higher prices during the year also pushed up our average purchase costs to US\$ 452 in 1H 2010 from US\$282 in 1H 2009, an increase of 60%.

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

2nd Quarter and Ist Half

Gross contribution decreased by US\$ 22.9 million or by 54 % to US\$ 19.8 million in 2Q 2010 from US\$ 42.7 million in 2Q 2009 and by US\$ 49.3 million or by 65% to US\$ 26.2 million in IH 2010 against US\$ 75.5 million in IH 2009. Similarly GCMT decreased to US\$ 5 per metric ton in 2Q2010 as compared to US\$11.6 per metric ton in 2Q 2009 and to US\$ 3.4 in IH 2010 against US\$ 10.2 in IH 2009.

In 2010, margins were under severe pressure as compared to the respective periods in 2009 although in Q2 of 2010 a slight improvement in margins could be observed as compared to Q1 2010. Compared to the 1st quarter of 2010, the Group's performance improved across all markets but margins continued to remain soft even in Q2 2010. The group has generated better contribution through more efficient utilization of assets and reduced overheads by shedding excess capacity.

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 expenses:

2nd Quarter & 1st Half

Barging expenses increased by US\$ 1.6 million or 10% during 2Q 2010 and by US\$ 4.9 million or 16% during IH 2010 mainly due to increased barging costs in the Americas due to increased retail sales.

Chartering expenses:

2nd Quarter & 1st Half

Chartering expenses decreased by US\$ 3.9 million or 58% during 2Q 2010 and by US\$ 3.1 million or 25% during 1H 2010 as a result of the reduced level of chartering activities.

Demurrage costs:

2nd Quarter and 1st Half

Demurrage costs increased by US\$ 1.5 million or 56% in 2Q 2010 and by US\$ 2.4 million or 37% in 1H 2010 mainly due to increased demurrage costs in Americas due to port congestion.

Employee benefits:

2nd Quarter and 1st Half

Employee benefits decreased by US\$ 1.8 million or 14% in 2Q 2010 and by US\$ 2.1 million or 8% in 1H 2010 due to the reduced bonus provision during the period.

Other Expenses:

2nd Quarter & 1st Half

Other expenses decreased by US\$ 6.8 million or 40% during 2Q 2010 and by 10.5 million or 34% in 1H 2010 mainly due to reduced software expenses, cargo insurance and consulting costs as well as the lower level of provision for bad debts.

Share of Associates and Joint Ventures results-Net

1st Half

The Group's share of profits from associates and joint ventures was lower by US\$ 3.4 million in 1H 2010 mainly on account of the reduced performance of an associate.

Income Tax expense

2nd Quarter & 1st Half

In 2Q 2010 and in 1H 2010, the Group had tax credits of US\$ 4.5 million and US\$ 5.1 million as compared to tax charges of US\$ 6.1 million and US\$ 9.6 million in the corresponding periods in 2009. The Group had certain incomes taxable at concessional rates and had reported losses in certain tax jurisdictions which resulted in a tax credit during the respective periods in 2010.

Consolidated Statement of Financial Position

The Group's total assets decreased by 15% to US\$1.2 billion as at end June 2010 from US\$ 1.4 billion as at end December 2009. This decrease was mainly due to the Group's carrying level of inventories.

| <u>Asset Turnover ratios</u> | 1H 2010 | FY 2009 |
|---|----------------|----------------|
| Inventory Days (average method) | 14.9 | 20.4 |
| Accounts Receivable Days (average method) | 33.6 | 28.4 |
| Accounts Payable Days (average method) | 21.7 | 19.3 |

Other current assets reduced by US\$ 36 million due to decreased advances made to suppliers of marine fuel.

Property plant and equipment decreased to US\$ 226 million in June 2010 from US\$ 233 million as of end December 2009 mainly on account of depreciation and the sale of an asset.

Borrowings decreased to US\$ 516 million as at end June 2010 compared to US\$ 723 million as at end December 2009 (Refer to Note 1 (b) (ii)). The debt to equity ratio decreased to 178% as at end June 2010 compared to 238% as at end December 2009 whereas the long term debt to equity ratio improved to 51 % as at end June 2010 compared to 54% as at end December 2009.

Working capital was US\$ 120 million as at end June 2010 against US\$ 143 million as at end December 2009 and shareholders' funds stands at US\$ 290 million in June 2010.

Consolidated Cash Flow Statement

As of June 2010, the Group's net cash generated from operating activities was US\$ 220.2 million compared to cash used in operating activities of US\$ 254.9 million as at end June 2009.

The Group's net cash generated from investing activities was US\$ 1.2 million compared to cash used in investing activities of US\$ 9.3 million as at end June 2009.

The Group's net cash used in financing activities was US\$ 151.2 million as compared to cash generated from financing activities of US\$ 236.3 million as at end June 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 shows 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 June 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 | 1,645 | - |
| Itochu Enex Ltd. | - | 419 |
| Total | 1,645 | 419 |

| 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. | 29 | 257,060 |
| Glencore Singapore Pte Ltd. | - | 219,478 |
| Glencore Energy UK Ltd. | - | 7,264 |
| Glencore Grain Rotterdam BV | - | 200 |
| Glencore Commodities Pte Ltd. | - | 6,580 |
| Glencore Commodities Ltd. | - | 37,609 |
| ST Shipping & Transport Inc | 329 | 19,995 |
| ST Shipping & Transport Pte Ltd. | - | 1,224 |
| ST Shipping & Transport Pte Ltd (UK) | - | 14,868 |
| Total | 358 | 564,278 |

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 2nd quarter ended 30th June 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