

## **Media Monitoring**

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### **Inventory costs hurts Chemoil performance**

Bunker fuel supplier Chemoil Energy said yesterday that its second-quarter net profit dropped 72% from a year earlier, as higher inventory expenses offset higher revenue while the wholesale-retail spreads remained subdued.

Chemoil's net profit for the quarter fell

Singapore-listed Chemoil's net profit for the quarter to June 30 fell to US\$3.2m from \$11.7m a year earlier, even though revenue surged 43% to US\$1.9bn from \$1.3bn, according to a company statement.

Total expenses soared 56% to US\$1.9bn from \$1.2bn, within which inventory expenses jumped 61% to US\$1.8bn from \$1.1bn, Chemoil said.

The higher inventory cost was due mainly to the higher fuel cost in the second quarter than in the same quarter of 2009.

The average purchase cost per tonne rose 37% in the second quarter.

Chemoil's sales volumes increased 8% to 4m tonnes in the second quarter, with retail sales volumes up 5% to 2.3m tonnes.