



**Chemoil Energy Limited**

**Unaudited Financial Information for the 1<sup>st</sup> Quarter ended 31<sup>st</sup> March 2011**

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

	GROUP		
	Jan – Mar 2011	Jan – Mar 2010	% Increase / (Decrease)
Revenue	2,587,427	1,748,410	48
Other gains / (losses) – net	(28,420)	10,223	N/M
<b>Revenue and other gains / (losses) – net</b>	<b>2,559,007</b>	<b>1,758,633</b>	<b>46</b>
<b>Expenses</b>			
- Inventories recognised as an expense	2,447,233	1,694,553	44
- Barging and pipelines costs	15,815	18,328	(14)
- Chartering and other shipping related expenses	4,553	6,305	(28)
- Rentals for office premises, storage tanks and motor vehicles	7,906	9,653	(18)
- Demurrage costs	2,679	4,834	(45)
- Employee benefits	19,012	12,081	57
- Marketing and communication expenses	1,802	1,640	10
- Service and commission expenses	4,209	4,277	(2)
- Other expenses	16,314	10,328	58
- Depreciation and amortisation	3,908	4,856	(20)
- Finance expense	5,274	5,840	(10)
<b>Total expenses</b>	<b>2,528,705</b>	<b>1,772,695</b>	<b>43</b>
Share of results of associates and joint ventures - net	1,268	(444)	N/M
<b>Profit / (loss) before income tax</b>	<b>31,570</b>	<b>(14,506)</b>	<b>N/M</b>
Income tax (expense) / credit	(8,843)	588	N/M
<b>Profit / (loss) for the period</b>	<b>22,727</b>	<b>(13,918)</b>	<b>N/M</b>
<b>Attributable to:</b>			
Equity holders of the Company	23,291	(13,532)	N/M
Non-controlling interest	(564)	(386)	46
	<b>22,727</b>	<b>(13,918)</b>	<b>N/M</b>

N/M = Not meaningful

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

	GROUP		
	Jan – Mar 2011	Jan – Mar 2010	% Increase / (Decrease)
<b>Profit / (loss) for the period</b>	22,727	(13,918)	N/M
<b>Other comprehensive income:</b>			
<b>Income / (expenses) recognised directly in equity</b>			
Cash flow hedges	1,355	(404)	N/M
Currency translation differences	3,576	(143)	N/M
<b>Other comprehensive loss for the period</b>	<b>4,931</b>	<b>(547)</b>	<b>N/M</b>
<b>Total comprehensive income / (loss) income for the period</b>	<b>27,658</b>	<b>(14,465)</b>	<b>N/M</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
Equity holders of the Company	28,922	(14,039)	N/M
Non-controlling interest	(1,264)	(426)	N/M
	<b>27,658</b>	<b>(14,465)</b>	<b>N/M</b>

N/M = Not meaningful

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

	GROUP		
	Jan - Mar 2011	Jan - Mar 2010	% Increase / (Decrease)
<u>Other gains/(losses) – net includes the following:</u>			
(a) Derivatives financial instruments – net (See note a)	(29,576)	4,404	N/M
(b) Other income (See note b)	-	7,000	-
(c) Fair value losses on other financial assets at fair value through profit or loss	(39)	(82)	(52)
<u>The income statement includes the following income / (expenses)</u>			
(1) Interest income	304	253	20
(2) Foreign exchange gain / (loss)	489	(447)	N/M
(3) Loss on disposal of property plant and equipment	-	(1,697)	N/M
(4) Allowance for doubtful debts			
– trade	(929)	433	N/M
– non-trade	(4,279)	-	N/M

N/M: not meaningful

**Note:-**

- a) The Group enters into derivative contracts in the form of swaps and futures in order to mitigate the risk of market price fluctuations in marine fuel. These derivatives are generally used to hedge our physical inventory or an underlying transaction. Gains or losses on these instruments are recognised 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 recognised as expense” in the income statement as they are essentially hedges against price movements on these inventories. The Group realised net losses of US\$ 29.6 million from its derivative financial instruments during 1Q 2011 as compared to gains of US\$ 4.4 million during 1Q 2010.
- 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		
	31-Mar-11	31-Dec-10	% Increase/ (Decrease)	31-Mar-11	31-Dec-10	% Increase/ (Decrease)
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	103,200	56,204	84	508	846	(40)
Derivative financial instruments	20,378	8,268	N/M	-	-	-
Other financial assets at fair value through profit or loss	1,000	1,039	(4)	1,000	1,039	(4)
Prepaid income tax	1,098	1,095	-	-	-	-
Other current assets	14,769	16,286	(9)	137	153	(10)
Trade and other receivables	940,561	638,040	47	96,372	87,287	10
Inventories	348,319	192,439	81	-	-	-
	<b>1,429,325</b>	<b>913,371</b>	<b>56</b>	<b>98,017</b>	<b>89,325</b>	<b>10</b>
<b>Non-current assets</b>						
Trade and other receivables	5,724	5,164	11	-	-	-
Other non-current assets	2,398	2,056	17	-	-	-
Investments in associates	40,052	38,333	4	13,129	13,513	(3)
Investments in joint ventures	34,430	34,211	1	15,777	16,127	(2)
Investments in subsidiaries	-	-	-	211,720	211,921	-
Intangible assets (see note)	36,040	15,795	N/M	-	-	-
Property, plant and equipment	232,643	232,328	-	-	-	-
Deferred income tax assets	4,907	10,449	(53)	-	-	-
	<b>356,194</b>	<b>338,336</b>	<b>5</b>	<b>240,626</b>	<b>241,561</b>	<b>-</b>
<b>Total assets</b>	<b>1,785,519</b>	<b>1,251,707</b>	<b>43</b>	<b>338,643</b>	<b>330,886</b>	<b>2</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	770,430	431,241	79	68,382	56,203	22
Derivative financial instruments	28,377	13,718	N/M	2,638	3,139	(16)
Current income tax liabilities	2,095	466	N/M	-	-	-
Borrowings	497,039	345,966	44	66,144	66,144	-
Provisions for other liabilities and charges	3,414	3,414	-	-	-	-
	<b>1,301,355</b>	<b>794,805</b>	<b>64</b>	<b>137,164</b>	<b>125,486</b>	<b>9</b>
<b>Non-current liabilities</b>						
Trade and other payables	5,000	-	-	-	-	-
Borrowings	132,567	138,265	(4)	35,619	36,595	(3)
Derivative financial instruments	3,806	4,648	(18)	3,315	4,077	(19)
Deferred income tax liabilities	9,403	7,349	28	-	-	-
Provisions for other liabilities and charges	6,038	6,470	(7)	-	-	-
	<b>156,814</b>	<b>156,732</b>	<b>-</b>	<b>38,934</b>	<b>40,672</b>	<b>(4)</b>
<b>Total liabilities</b>	<b>1,458,169</b>	<b>951,537</b>	<b>53</b>	<b>176,098</b>	<b>166,158</b>	<b>6</b>
<b>NET ASSETS</b>	<b>327,350</b>	<b>300,170</b>	<b>9</b>	<b>162,545</b>	<b>164,728</b>	<b>(1)</b>
<b>EQUITY</b>						
<b>Capital &amp; reserves attributable to owners of the Company</b>						
Share capital	2	2	-	2	2	-
Share premium	85,816	85,816	-	85,816	85,816	-
Treasury shares	(3,094)	(2,504)	24	-	-	-
Merger reserve	3,529	3,529	-	-	-	-
Other reserves	14,738	9,003	64	156	569	(73)
Retained earnings	223,572	200,273	12	76,571	78,341	(2)
	<b>324,563</b>	<b>296,119</b>	<b>10</b>	<b>162,545</b>	<b>164,728</b>	<b>(1)</b>
Non-controlling interests	2,787	4,051	(31)	-	-	-
<b>Total equity</b>	<b>327,350</b>	<b>300,170</b>	<b>9</b>	<b>162,545</b>	<b>164,728</b>	<b>(1)</b>

N/M = Not meaningful

Note: The purchase price allocation of the business acquired in January 2011 to intangible assets is provisional and pending finalization. Accordingly no amortisation has been provided in this quarter.

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

	31-Mar-11		31-Dec-10	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	492,565	4,474	337,902	8,064
Amount repayable after one year	132,567	-	138,265	-
Total	625,132	4,474	476,167	8,064

Details of any collateral	31-Mar-11	31-Dec-10
Secured on current assets of subsidiaries	270,549	123,992
Secured against trade receivables under a receivables purchase agreement of a subsidiary (See Note a below)	200,057	186,000
Secured on property, plant and equipment and lease rentals of subsidiaries	154,388	166,013
Secured on other property, plant and equipment of a subsidiary (See Note b below)	138	162
Total	625,132	476,167

**Note:**

- a) The gross amount of trade receivables secured under the receivables purchase agreement is US\$ 272,937 (2010: US\$ 236,091)
- b) The carrying amount of motor vehicles pledged as security for borrowings is US\$ 200 (2010: US\$ 205)

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

	<b>GROUP</b>	
	<b>Jan – Mar 2011</b>	<b>Jan – Mar 2010</b>
<b>Cash flows from operating activities</b>		
Profit / (loss) for the period	22,727	(13,918)
Adjustments for:		
Income tax expense / (credit)	8,843	(588)
Share option expense	112	1,144
Depreciation and amortization	3,908	4,856
Net loss on disposals of property, plant and equipment	-	1,697
Fair value losses on other financial assets at fair value through profit or loss	39	82
Unrealised translation gains	(872)	(1,091)
Share of results of associates and joint ventures	(1,268)	444
Interest income	(304)	(253)
Finance expense	5,274	5,840
	<b>38,459</b>	<b>(1,787)</b>
<i>Changes in working capital, net of effects of acquisitions and disposals of subsidiaries</i>		
Derivative financial instruments	3,062	(21,941)
Other assets	1,066	38,952
Trade and other receivables	(302,522)	(181,847)
Inventories	(155,880)	49,667
Trade and other payables	329,189	197,702
Provisions for other liabilities and charges	(432)	(2,048)
<b>Cash (used in) / generated from operations</b>	<b>(87,058)</b>	<b>78,698</b>
Income tax paid	379	(1,489)
<b>Net cash (used in) / generated from operating activities</b>	<b>(86,679)</b>	<b>77,209</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(748)	(1,286)
Proceeds from disposal of property, plant and equipment	91	839
Purchase of intangible assets	(5,806)	(273)
Investment in associates	(31)	-
Other receivables	(560)	(310)
Interest received	304	253
Dividends received from associates	-	347
Dividends received from joint ventures	915	2,500
<b>Net cash (used in) / generated from investing activities</b>	<b>(5,835)</b>	<b>2,070</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	129,186	29,000
Repayments of borrowings	(18,430)	(120,159)
Interest paid	(5,274)	(5,840)
Bank balances and deposits pledged with banks for bank loans	(2,742)	(3,845)
Purchase of treasury shares	(590)	-
<b>Net cash generated from / (used in) financing activities</b>	<b>102,150</b>	<b>(100,844)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>9,636</b>	<b>(21,565)</b>
Cash and cash equivalents at beginning of financial period	(32,043)	(82,462)
<b>Cash and cash equivalents at end of financial period</b>	<b>(22,407)</b>	<b>(104,027)</b>
Cash and bank balances	103,200	118,022
Bank balances and deposits pledged with banks for bank loans	(35,279)	(24,586)
Bank overdrafts	(90,328)	(197,463)
<b>Total</b>	<b>(22,407)</b>	<b>(104,027)</b>

**1. (d) (i) Statements of Changes in Equity for the period ended 31<sup>st</sup> March 2011**  
**(in US \$'000, unless otherwise stated)**

GROUP	← <u>Attributable to the owners of the Company</u> →							Non- controlling interests	Total Equity
	<u>Share capital</u>	<u>Treasury shares held by Trust<sup>1</sup></u>	<u>Merger reserve</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>		
<b>1<sup>st</sup> QUARTER</b>									
<b>Balance as at 1 January 2011</b>	2	(2,504)	3,529	85,816	9,003	200,273	296,119	4,051	300,170
Purchase of treasury shares	-	(590)	-	-	-	-	(590)	-	(590)
Employee share option scheme: - Value of services rendered	-	-	-	-	112	-	112	-	112
Total comprehensive loss for the period	-	-	-	-	5,623	23,299	28,922	(1,264)	27,658
<b>Balance as at 31 March 2011</b>	<b>2</b>	<b>(3,094)</b>	<b>3,529</b>	<b>85,816</b>	<b>14,738</b>	<b>223,572</b>	<b>324,563</b>	<b>2,787</b>	<b>327,350</b>
<b>Balance as at 1 January 2010</b>	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
Total comprehensive loss for the period	-	-	-	-	(507)	(13,532)	(14,039)	(426)	(14,465)
<b>Balance as at 31 March 2010</b>	<b>2</b>	<b>(1,230)</b>	<b>3,529</b>	<b>85,816</b>	<b>67</b>	<b>196,231</b>	<b>284,415</b>	<b>6,427</b>	<b>290,842</b>
<b>COMPANY</b>									
<b>Balance as at 1 January 2011</b>	2	85,816		569	78,341		164,728		
Contribution to Trust <sup>1</sup>	-	-		(525)	-		(525)		
Employee share option scheme: - Value of services rendered	-	-		112	-		112		
Total comprehensive income for the period	-	-		-	(1,770)		(1,770)		
<b>Balance as at 31 March 2011</b>	<b>2</b>	<b>85,816</b>		<b>156</b>	<b>76,571</b>		<b>162,545</b>		
<b>Balance as at 1 January 2010</b>	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	-	-		-	3,132		3,132		
<b>Balance as at 31 March 2010</b>	<b>2</b>	<b>85,816</b>		<b>1,894</b>	<b>85,503</b>		<b>173,215</b>		

<sup>1</sup> 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 31 March 2011, the Company's issued and paid-up capital (including treasury shares) comprised 1,292,612,000 (31 December 2010: 1,292,612,000) ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised (31 December 2010: 1,283,862,622) ordinary shares.

Treasury shares held by the Trust as at 31 March 2011 is 10,416,378 shares (31 December 2010: 8,749,378)

**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 above.

**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 2010

**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 1- Presentation of Financial Statements (Amendments arising from Improvements to IFRSs)
- IAS 24 - Related Party Disclosures (Revised)
- IAS 34 - Interim Financial Reporting (Amendments arising from Improvements to IFRSs)
- IFRS 1- First-time Adoption of International Financial Reporting Standards (Amendments arising from Improvements to IFRSs)
- IFRS 7 - Financial Instruments: Disclosures (Amendments arising from Improvements to IFRSs)
- IFRIC 13 - Customer Loyalty Programmes (Amendments arising from Improvements to IFRSs)
- IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendments relating to Prepayments of a Funding Requirement)

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

## 6. Earnings / (loss) per ordinary share

	Jan – Mar 2011	Jan – Mar 2010
(a) Based on weighted average number of ordinary shares on issue (US cents per share)	1.80	(1.05)
(b) On fully diluted basis (US cents per share)	1.80	(1.05)

## 7. Net Asset Value

	Group		Company	
	31-Mar-11	31-Dec-10	31-Mar-11	31-Dec-10
Net asset value per ordinary share based on issued share capital (US cents per share)	25.11	22.91	12.57	12.74

## 8. Review of Performance of the Group

1<sup>st</sup> Quarter ended 31<sup>st</sup> March 2011 (1Q 2011) compared to the 1<sup>st</sup> Quarter ended 31<sup>st</sup> March 2010 (1Q 2010)

	Jan - Mar 2011	Jan - Mar 2010	% Increase / (Decrease)
Volume – MTs million	4.6	3.7	25
Retail volume – MTs million	2.6	2.5	3
Average sales value per MT – US\$	552.2	465.4	19
Average purchase cost per MT – US\$ (note a)	534.8	457.9	17
Gross contribution – US\$ million (note b)	66.8	6.4	N/M
Gross contribution per MT – US\$	14.4	1.7	N/M
Revenue – US\$ million	2587.4	1,748.4	48
Profit / (loss) before tax – US\$ million	31.5	(14.5)	N/M
Profit / (loss) after tax – US\$ million	22.7	(13.9)	N/M
Profit / (loss) after tax and non-controlling interests US\$ million	23.2	(13.5)	N/M
Earnings / (loss) per Share			
- Basic (US cents per share)	1.80	(1.05)	N/M
- Diluted (US cents per share)	1.80	(1.05)	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 was higher by 48% at US\$ 2.59 billion in 1Q 2011 against US\$ 1.75 billion in 1Q 2010.

### **Volumes & Average prices**

In 1Q 2011, the Group achieved sales volumes of 4.6 million metric tons as compared to 3.7 million metric tons in 1Q 2010, an increase of 25%. In addition to volumes generated by a business acquired at the beginning of 2011, increased ex-wharf and cargo sales in Europe and Asia were the key drivers for the increased volumes. In the Americas, reduced retail sales were compensated by increased wholesale volumes.

Oil prices were higher in 1Q 2011 compared to 1Q 2010 with our average sales value per metric ton in 1Q 2011 increasing by 19% to US\$ 552 per metric ton compared to US\$ 465 per metric ton in 1Q 2010. The increase in purchase costs in 1Q 2011 was 17% at US\$ 535 per metric ton compared to US\$ 458 per metric ton in 1Q 2010.

### **Gross Contribution (GC) and Gross Contribution per Metric Ton (GCMT)**

Gross contribution increased by US\$ 60.4 million to US\$ 66.8 million in 1Q 2011 from US\$ 6.4 million in 1Q 2010.

The Gross contribution per metric ton was US\$ 14.4 in 1Q2011 compared to US\$ 1.7 in 1Q 2010.

Margin improvement witnessed in the 4<sup>th</sup> quarter 2010 gained further momentum in the first quarter of 2011. This was coupled with efficiency improvements initiated in 2010 which ensured a satisfactory GCMT in major ports.

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 between 1Q 2011 and 1Q 2010 in these and other expense heads are explained below:

#### **Barging and Pipeline costs:**

Barging and pipeline costs decreased by US\$ 2.5 million or 14%. The decrease was mainly due to reduced retail volumes in the Americas.

#### **Chartering and shipping related expenses:**

Chartering and shipping related expenses decreased by US\$ 1.8 million or 28% because of reduced third party chartering.

#### **Rentals for office premises storage tanks and motor vehicles**

Rentals for office premises storage tanks and motor vehicles cost decreased by US\$ 1.7 million or 18% mainly due to reduction in leased storage facilities in Asia and Europe.

#### **Demurrage costs:**

Demurrage cost decreased by US\$ 2.2 million or 45% due to reduced demurrage costs in the Americas.

#### **Employee costs:**

Employee costs increased by US\$ 6.9 million or 57% due to provisions for bonus and increased headcount due to the acquisition of a business in 2011.

#### **Other expenses:**

Other expenses increased by US\$ 6.0 million or 58% mainly due to provision for doubtful debts relating to non-trade receivables and cargo insurance expenses.

### **Share of Associates and Joint Ventures results - Net:**

The Group's share of results from associates and joint ventures was a profit of US\$ 1.3 million in Q1 2011 against a loss of US\$ 0.4 million in 2010 mainly due to the increased earnings from a joint venture.

### **Income Tax expense:**

In 2011, the Group has tax charges of US\$ 8.8 million as compared to tax credits of US\$ 0.6 million in Q1 2010 reflecting the results in the respective periods.

### **Consolidated Statement of Financial Position**

The Group's total assets increased by 43% to US\$ 1.79 billion as at end March 2011 from US\$ 1.25 billion as at end December 2010. The increase can be attributed to the Group's current assets which increased due to higher levels of receivables and inventories as compared to 2010. These increases were primarily driven by the higher oil prices prevailing during Q1 2011 as compared to December 2010.

<b>Asset Turnover ratios</b>	<b>As of 31 Mar 2011</b>	<b>FY 2010</b>
Inventory Days (average method)	9.9	13.0
Accounts Receivable Days (average method)	27.5	31.3
Accounts Payable Days (average method)	21.9	21.4

Intangible assets have increased by US\$ 20.2 million mainly due to the acquisition of a business in January 2011. However purchase price allocation of the business to intangible assets is still provisional and hence no amortisation has been provided in this quarter.

Deferred tax assets have decreased by US\$ 5.5 million as the profits of the 1<sup>st</sup> quarter 2011 have partially offset the tax losses brought forward.

Borrowings increased to US\$ 630 million as at end March 2011 compared to US\$ 484 million as at end December 2010 (Refer to Note 1 (b) (ii)). The debt to equity ratio increased to 192% in March 2011 compared to 161% as at end December 2010 whereas the net long term debt to equity ratio decreased to 40% as at end March 2011 from 46% as at end December 2010.

Working capital was US\$ 128 million as at end March 2011 against US\$ 119 million at end December 2010 and the shareholders' funds stands at US\$ 325 million as at end of March 2011.

### **Consolidated Cash Flow Statement**

As of March 2011, the Group's net cash used in operating activities was US\$ 86.7 million as compared to US\$ 77.2 million of net cash generated from operating activities as at 31<sup>st</sup> March 2010.

The Group's net cash used in investing activities was US\$ 5.8 million as compared to US\$ 2.1 million of net cash generated from investing activities as at 31<sup>st</sup> March 2010.

The Group's net cash generated from financing activities was US\$ 102.1 million as compared to US\$ 100.8 million of net cash used in financing activities as at 31<sup>st</sup> March 2010.

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.**

Margins as well as the demand for marine fuel have improved. Future trends may be affected by geopolitical factors as well as effects of natural calamities and remains uncertain.

**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 or recommended in respect of the current period.

**b) (i) Amount per share / rate %**

Not applicable.

**b) (ii) Previous corresponding period /rate %**

No dividend was declared or recommended in respect of the corresponding period of the previous year.

**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**

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

### 13. Interested person transactions

During the financial year ended 31<sup>st</sup> March 2011, the following interested person transactions were entered into by the Group,

Name of interested person	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions of value less than S\$ 100,000 and transactions entered into pursuant to the IPT mandate)	Aggregate value of all interested person transactions entered into under the IPT mandate during the financial year under review (excluding transactions of value less than S\$ 100,000 )
	Jan - Mar 2011– (US\$' 000)	Jan - Mar 2011– (US\$' 000)
Itochu Corporation, Japan	221	-
Itochu Petroleum Company Singapore Ltd	1,625	74
Itochu Enx Ltd.	-	4,963
<b>Total</b>	<b>1,846</b>	<b>5,037</b>

Name of interested person	Aggregate value of all interested person transactions entered into under the SPS agreement during the period under review (\$ in 000's)	Others
Glencore Ltd.	272,236	-
Glencore Singapore Pte Ltd.	66,461	48
Glencore Energy UK Ltd.	12,201	-
Glencore Grain Rotterdam BV	669	-
Glencore Commodities Ltd. - Singapore	-	-
Glencore Commodities Ltd.	65,200	-
ST Shipping & Transport Inc.	180,651	-
ST Shipping & Transport Pte Ltd. (Singapore)	3,511	-
	9,784	-
<b>Total</b>	<b>610,713</b>	<b>48</b>

### 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 1<sup>st</sup> quarter ended 31<sup>st</sup> March 2011 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Mark Jonathan Catton  
Chairman

Thomas Kevin Reilly  
Director & Chief Executive Officer