



**Chemoil Energy Limited**  
**Unaudited Financial Information for the 2<sup>nd</sup> Quarter and Half Year ended 30<sup>th</sup> June 2011**

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

	GROUP			GROUP		
	Jan – Jun 2011	Jan – Jun 2010	% Increase/ (Decrease)	Apr – Jun 2011	Apr – Jun 2010	% Increase/ (Decrease)
Revenue	5,183,545	3,604,274	44	2,596,118	1,855,864	40
Other gains/(losses) – net	(8,206)	22,798	N/M	20,214	12,575	61
<b>Revenue and other gains/(losses) – net</b>	<b>5,175,339</b>	<b>3,627,072</b>	<b>43</b>	<b>2,616,332</b>	<b>1,868,439</b>	<b>40</b>
<b>Expenses</b>						
- Inventories recognized as an expense	4,988,619	3,496,513	43	2,541,386	1,801,960	41
- Barging and pipelines costs	28,682	36,131	(21)	12,867	17,803	(28)
- Chartering and other shipping related expenses	7,710	9,143	(16)	3,157	2,838	11
- Rentals for office premises, storage tanks and motor vehicles	16,512	18,620	(11)	8,606	8,967	(4)
- Demurrage costs	4,329	8,912	(51)	1,650	4,078	(60)
- Employee benefits	31,874	23,331	37	12,862	11,250	14
- Marketing and communication expenses	3,511	3,417	3	1,709	1,777	(4)
- Service and commission expenses	9,391	7,614	23	5,182	3,337	55
- Other expenses	28,235	20,635	37	11,921	10,307	(4)
- Depreciation and amortization	12,006	9,405	28	8,098	4,549	78
- Finance expense	10,216	11,707	(13)	4,942	5,867	(16)
<b>Total expenses</b>	<b>5,141,085</b>	<b>3,645,428</b>	<b>41</b>	<b>2,612,380</b>	<b>1,872,733</b>	<b>39</b>
Share of results of associates and joint ventures - net	2,013	2,593	(22)	745	3,037	(75)
<b>Profit / (loss) before income tax</b>	<b>36,267</b>	<b>(15,763)</b>	<b>N/M</b>	<b>4,697</b>	<b>(1,257)</b>	<b>N/M</b>
Income tax credit / (expense)*	(11,722)	5,089	N/M	(2,879)	4,501	N/M
<b>Profit / (loss) for the period</b>	<b>24,545</b>	<b>(10,674)</b>	<b>N/M</b>	<b>1,818</b>	<b>3,244</b>	<b>(44)</b>
<b>Attributable to:</b>						
Equity holders of the Company	24,286	(10,297)	N/M	996	3,235	(69)
Minority interest	259	(377)	N/M	822	9	N/M
	<b>24,545</b>	<b>(10,674)</b>	<b>N/M</b>	<b>1,818</b>	<b>3,244</b>	<b>(44)</b>

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 2011	Jan – Jun 2010	% Increase/ (Decrease)	Apr – Jun 2011	Apr – Jun 2010	% Increase/ (Decrease)
<b>(Loss) / profit for the period</b>	<b>24,545</b>	<b>(10,674)</b>	<b>N/M</b>	<b>1,818</b>	<b>3,244</b>	<b>(44)</b>
<b>Other comprehensive income:</b>						
<b>Income/(loss) recognised directly in equity</b>						
Cash flow hedges	1,725	(1,457)	N/M	370	(1,053)	N/M
Currency translation differences	4,778	(2,867)	N/M	1202	(2,724)	N/M
<b>Other comprehensive (loss) / income for the period</b>	<b>6,503</b>	<b>(4,324)</b>	<b>N/M</b>	<b>1,572</b>	<b>(3,777)</b>	<b>N/M</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>31,048</b>	<b>(14,998)</b>	<b>N/M</b>	<b>3,390</b>	<b>(533)</b>	<b>N/M</b>
<b>Total comprehensive (loss) / income attributable to:</b>						
Equity holders of the Company	31,044	(14,050)	N/M	2,122	(11)	N/M
Minority interest	4	(948)	N/M	1,268	(522)	N/M
	<b>31,048</b>	<b>(14,998)</b>	<b>N/M</b>	<b>3,390</b>	<b>(533)</b>	<b>N/M</b>

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

	Note	GROUP			GROUP		
		Jan – Jun 2011	Jan – Jun 2010	% Increase/ (Decrease)	Apr - Jun 2011	Apr - Jun 2010	% Increase/ (Decrease)
<u>Other gains/(losses) – net includes the following:</u>							
(a) Derivatives financial instruments – net	a	(22,406)	16,760	N/M	7,170	12,356	(42)
(b) Other income	b	-	7,000	N/M	-	-	-
(c) Fair value (losses)/gains on other financial assets at fair value through profit or loss		15	(25)	N/M	54	57	(5)
(d) Profit from sale of division	c	8,090	-	N/M	8,090	-	N/M
<u>The income statement includes the following income / (expenses)</u>							
(a) Interest income		720	321	N/M	416	68	N/M
(b) Foreign exchange gains / (losses)		3,818	(477)	N/M	3,329	(30)	N/M
(c) Loss on disposal of property plant and equipment		-	(1,707)	N/M	-	(10)	N/M
(d) (Allowance for) / Write-back of doubtful debts							
– trade		(1,291)	256	N/M	(362)	(177)	N/M
– non-trade		(6,744)	-	N/M	(2,465)	-	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\$ 7.2 million from its derivative financial instruments during 2Q 2011 as compared to gains of US\$ 12.4 million during 2Q 2010.
- b) It represents the payment received from a related party in recognition of services rendered by the Group.
- c) It represents the profits before amortization of goodwill, taxes and minority interest on the sale of a division of a non-core subsidiary

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

	Group			Company		
	30-June-11	31-Dec-10	% Increase/ (Decrease)	30-June-11	31-Dec-10	% Increase/ (Decrease)
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	101,133	56,204	80	262	846	(69)
Derivative financial instruments	13,002	8,268	57	-	-	-
Other financial assets at fair value through profit or loss	1,054	1,039	1	1,054	1,039	1
Prepaid income tax	4,158	1,095	N/M	-	-	-
Other current assets	12,652	16,286	(22)	78	153	(49)
Trade and other receivables	928,350	638,040	46	97,045	87,287	11
Inventories	299,445	192,439	56	-	-	-
	<b>1,359,794</b>	<b>913,371</b>	<b>49</b>	<b>98,439</b>	<b>89,325</b>	<b>10</b>
<b>Non-current assets</b>						
Trade and other receivables	-	5,164	N/M	-	-	-
Other non-current assets	3,458	2,056	68	-	-	-
Investments in associates	38,952	38,333	2	13,198	13,513	(2)
Investments in joint ventures	36,278	34,211	6	15,828	16,127	(2)
Investments in subsidiaries	-	-	-	211,720	211,921	-
Intangible assets (see note)	36,480	15,795	N/M	-	-	-
Property, plant and equipment	231,485	232,328	-	-	-	-
Deferred income tax assets	7,225	10,449	(31)	-	-	-
	<b>353,878</b>	<b>338,336</b>	<b>5</b>	<b>240,746</b>	<b>241,561</b>	<b>-</b>
<b>Total assets</b>	<b>1,713,672</b>	<b>1,251,707</b>	<b>37</b>	<b>339,185</b>	<b>330,886</b>	<b>3</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	653,629	431,241	52	71,865	56,203	28
Derivative financial instruments	14,161	13,718	3	2,566	3,139	(18)
Current income tax liabilities	5,415	466	N/M	-	-	-
Borrowings	559,913	345,966	62	66,144	66,144	-
Provisions for other liabilities and charges	2,871	3,414	(16)	-	-	-
	<b>1,235,989</b>	<b>794,805</b>	<b>56</b>	<b>140,575</b>	<b>125,486</b>	<b>12</b>
<b>Non-current liabilities</b>						
Trade and other payables	10,000	-	N/M	-	-	-
Borrowings	121,248	138,265	(12)	34,643	36,595	(5)
Derivative financial instruments	3,707	4,648	(20)	3,201	4,077	(21)
Deferred income tax liabilities	6,218	7,349	(15)	-	-	-
Provisions for other liabilities and charges	6,068	6,470	(6)	-	-	-
	<b>147,241</b>	<b>156,732</b>	<b>(6)</b>	<b>37,844</b>	<b>40,672</b>	<b>(7)</b>
<b>Total liabilities</b>	<b>1,383,230</b>	<b>951,537</b>	<b>45</b>	<b>178,419</b>	<b>166,158</b>	<b>7</b>
<b>NET ASSETS</b>	<b>330,442</b>	<b>300,170</b>	<b>10</b>	<b>160,766</b>	<b>164,728</b>	<b>(2)</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	(3,465)	(2,504)	38	-	-	-
Merger reserve	3,529	3,529	-	-	-	-
Other reserves	15,946	9,003	77	248	569	(56)
Retained earnings	224,559	200,273	12	74,700	78,341	(5)
	<b>326,387</b>	<b>296,119</b>	<b>10</b>	<b>160,766</b>	<b>164,728</b>	<b>(2)</b>
Minority interest	4,055	4,051	-	-	-	-
<b>Total equity</b>	<b>330,442</b>	<b>300,170</b>	<b>10</b>	<b>160,766</b>	<b>164,728</b>	<b>(2)</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 period.

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

	30-Jun-11		31-Dec-10	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	555,963	3,950	337,902	8,064
Amount repayable after one year	121,248	-	138,265	-
Total	677,211	3,950	476,167	8,064

Details of any collateral	30-Jun-11	31-Dec-10
Secured on current assets of subsidiaries	307,685	123,992
Secured against trade receivables under a receivables purchase agreement of a subsidiary (See Note a below)	221,885	186,000
Secured on property, plant and equipment and lease rentals of subsidiaries	147,498	166,013
Secured on other property, plant and equipment of a subsidiary (See Note b below)	143	162
Total	677,211	476,167

**Note:**

- a) The gross amount of trade receivables secured under the receivables purchase agreement is US\$ 264,875 (2010: US\$ 236,091)
- b) The carrying amount of motor vehicles pledged as security for borrowings is US\$ 189 (2010: US\$ 205)

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

	GROUP		GROUP	
	Jan – Jun 2011	Jan – Jun 2010	Apr – Jun 2011	Apr – Jun 2010
<b>Cash flows from operating activities</b>				
(Loss) / profit for the period	24,545	(10,674)	1,818	3,244
Adjustments for:				
Income tax (credit) / expense	11,722	(5,089)	2,879	(4,501)
Share option expense	224	1,144	112	-
Depreciation and amortization	12,006	9,405	8,098	4,549
Net loss on disposals of property, plant and equipment	-	1,707	-	10
Fair value losses / (gains) on other financial assets at fair value through profit or loss	(15)	25	(54)	(57)
Unrealised translation gains	(3,010)	(1,796)	(2,138)	(705)
Share of results of associates and joint ventures	(2,013)	(2,593)	(745)	(3,037)
Interest income	(720)	(321)	(416)	(68)
Finance expense	10,216	11,707	4,942	5,867
	<b>52,955</b>	<b>3,515</b>	<b>14,496</b>	<b>5,302</b>
<b>Changes in working capital, net of effects of acquisitions and disposals of subsidiaries</b>				
Derivative financial instruments	(3,507)	(25,135)	(6,569)	(3,194)
Other assets	1,591	35,646	525	(3,306)
Trade and other receivables	(284,586)	3,895	17,936	185,742
Inventories	(107,006)	180,727	48,874	131,060
Trade and other payables	212,388	25,162	(116,801)	(172,540)
Provisions for other liabilities and charges	(945)	(1,108)	(513)	940
<b>Cash generated from / (used in) operations</b>	<b>(129,110)</b>	<b>222,702</b>	<b>(42,052)</b>	<b>144,004</b>
Income tax paid	(7,743)	(2,459)	(8,122)	(970)
<b>Net cash generated from / (used in) operating activities</b>	<b>(136,853)</b>	<b>220,243</b>	<b>(50,174)</b>	<b>143,034</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(1,176)	(2,451)	(428)	(1,165)
Proceeds from disposal of property, plant and equipment	1,780	753	1,689	(86)
Purchase of intangible assets	(5,989)	(493)	(183)	(220)
Proceeds from disposal of intangible assets	529	-	529	-
Investment in Associates	(100)	-	(69)	-
Investment in joint ventures	(51)	(455)	(51)	(455)
Other receivables	(560)	(439)	-	(129)
Interest received	720	321	416	68
Dividends received from associates	-	1,422	-	1,075
Dividends received from joint ventures	915	2,500	-	-
<b>Net cash generated from / (used in) investing activities</b>	<b>(3,932)</b>	<b>1,158</b>	<b>1,903</b>	<b>(912)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	266,135	72,692	136,949	43,692
Repayments of borrowings	(72,998)	(198,875)	(54,568)	(78,716)
Interest paid	(10,216)	(11,707)	(4,942)	(5,867)
Bank balances and deposits pledged with banks for bank loans	4,948	(13,390)	7,690	(9,545)
Purchase of treasury shares	(1,052)	-	(462)	-
Proceeds from re-issuance of treasury shares	52	39	52	39
<b>Net cash (used in) / generated from financing activities</b>	<b>186,869</b>	<b>(151,241)</b>	<b>84,719</b>	<b>(50,397)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>46,084</b>	<b>70,160</b>	<b>36,448</b>	<b>91,725</b>
Cash and cash equivalents at beginning of financial period	(32,043)	(82,462)	(22,407)	(104,027)
<b>Cash and cash equivalents at end of financial period</b>	<b>14,041</b>	<b>(12,302)</b>	<b>14,041</b>	<b>(12,302)</b>
<b>Cash and cash equivalents:</b>				
Cash and bank balances	101,133	73,889	101,133	73,889
Bank balances and deposits pledged with banks for bank loans	(27,589)	(34,131)	(27,589)	(34,131)
Bank overdrafts	(59,503)	(52,060)	(59,503)	(52,060)
<b>Total</b>	<b>14,041</b>	<b>(12,302)</b>	<b>14,041</b>	<b>(12,302)</b>

**1. (d) (i) Statements of Changes in Equity for the period ended 30 June 2011**  
**(in US \$'000, unless otherwise stated)**

GROUP HALF YEAR	← Attributable to the equity holders of the Company →						<u>Total</u>	<u>Minority interests</u>	<u>Total Equity</u>
	<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>			
<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	-	(1,052)	-	-	-	-	(1,052)	-	(1,052)
Employee share option scheme:									
- Value of services rendered	-	-	-	-	224	-	224	-	224
- Treasury shares re-issued	-	91	-	-	(39)	-	52	-	52
Total comprehensive loss for the period	-	-	-	-	6,758	24,286	31,044	4	31,048
<b>Balance as at 30 June 2011</b>	<b>2</b>	<b>(3,465)</b>	<b>3,529</b>	<b>85,816</b>	<b>15,946</b>	<b>224,559</b>	<b>326,387</b>	<b>4,055</b>	<b>330,442</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
- Treasury shares re-issued	-	53	-	-	(14)	-	39	-	39
Total comprehensive loss for the period	-	-	-	-	(3,753)	(10,297)	(14,050)	(948)	(14,998)
<b>Balance as at 30 June 2010</b>	<b>2</b>	<b>(1,177)</b>	<b>3,529</b>	<b>85,816</b>	<b>(3,193)</b>	<b>199,466</b>	<b>284,443</b>	<b>5,905</b>	<b>290,348</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) (i) Statements of Changes in Equity for the period ended 30 June 2011  
(in US \$'000, unless otherwise stated)**

GROUP	← <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 Trust<sup>1</sup></u>	<u>Merger reserve</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>			
<b>2<sup>nd</sup> QUARTER</b>									
<b>Balance as at 1 April 2011</b>	2	(3,094)	3,529	85,816	14,747	223,563	324,563	2,787	327,350
Purchase of treasury shares	-	(462)	-	-	-	-	(462)	-	(462)
Employee share option scheme:									
- Value of services rendered	-	-	-	-	112	-	112	-	112
- Treasury shares re-issued	-	91	-	-	(39)	-	52	-	52
Total comprehensive (loss) / income for the period	-	-	-	-	1,126	996	2,122	1,268	3,390
<b>Balance as at 30 June 2011</b>	<b>2</b>	<b>(3,465)</b>	<b>3,529</b>	<b>85,816</b>	<b>15,946</b>	<b>224,559</b>	<b>326,387</b>	<b>4,055</b>	<b>330,442</b>
<b>Balance as at 1 April 2010</b>	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)
<b>Balance as at 30 June 2010</b>	<b>2</b>	<b>(1,177)</b>	<b>3,529</b>	<b>85,816</b>	<b>(3,193)</b>	<b>199,466</b>	<b>284,443</b>	<b>5,905</b>	<b>290,348</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) (i) Statements of Changes in Equity for the period ended 30 June 2010  
(in US \$'000, unless otherwise stated)**

<b>COMPANY HALF YEAR</b>	<b><u>Share capital</u></b>	<b><u>Share premium</u></b>	<b><u>Other Reserves</u></b>	<b><u>Retained earnings</u></b>	<b><u>Total equity</u></b>
<b>Balance as at 1 January 2011</b>	2	85,816	569	78,341	164,728
Contribution to Trust <sup>1</sup>	-	-	(545)	-	(545)
Employee share option scheme: - Value of services rendered	-	-	224	-	224
Total comprehensive income for the period	-	-	-	(3,641)	(3,641)
<b>Balance as at 30 June 2011</b>	<b>2</b>	<b>85,816</b>	<b>248</b>	<b>74,700</b>	<b>160,766</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	-	-	-	1,141	1,141
<b>Balance as at 30 June 2010</b>	<b>2</b>	<b>85,816</b>	<b>1,894</b>	<b>83,512</b>	<b>171,224</b>

<b>COMPANY 2<sup>nd</sup> QUARTER</b>	<b><u>Share capital</u></b>	<b><u>Share premium</u></b>	<b><u>Other Reserves</u></b>	<b><u>Retained earnings</u></b>	<b><u>Total equity</u></b>
<b>Balance as at 1 April 2011</b>	2	85,816	156	76,571	162,545
Contribution to Trust <sup>1</sup>	-	-	(20)	-	(20)
Employee share option scheme: - Value of services rendered	-	-	112	-	112
Total comprehensive loss for the period	-	-	-	(1,871)	(1,871)
<b>Balance as at 30 June 2011</b>	<b>2</b>	<b>85,816</b>	<b>248</b>	<b>74,700</b>	<b>160,766</b>
<b>Balance as at 1 April 2010</b>	2	85,816	1,894	85,503	173,215
<b>Total comprehensive loss for the period</b>	-	-	-	(1,991)	(1,991)
<b>Balance as at 30 June 2010</b>	<b>2</b>	<b>85,816</b>	<b>1,894</b>	<b>83,512</b>	<b>171,224</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 30<sup>th</sup> June 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 1,281,162,622 ordinary shares. (31 December 2010: 1,283,862,622 ordinary shares).

Treasury shares held by the Trust as at 30<sup>th</sup> June 2011 is 11,449,378 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 per ordinary share

	Jan - Jun 2011	Jan - Jun 2010	Apr - Jun 2011	Apr - Jun 2010
(a) Based on weighted average number of ordinary shares on issue (US cents per share)	1.88	(0.80)	0.08	0.25
(b) On fully diluted basis (US cents per share)	1.87	(0.80)	0.08	0.25

## 7. Net Asset Value

	Group		Company	
	30-Jun-11	31-Dec-10	30-Jun-11	31-Dec-10
Net asset value per ordinary share based on issued share capital (US cents per share)	25.25	22.91	12.44	12.74

## 8. Review of Performance of the Group

**1<sup>st</sup> Half ended 30<sup>th</sup> June 2011 (1H 2011) compared to the 1<sup>st</sup> Half ended 30<sup>th</sup> June 2010 (1H 2010)**  
**2<sup>nd</sup> Quarter ended 30<sup>th</sup> June 2011 (2Q 2011) compared to the 2<sup>nd</sup> Quarter ended 30<sup>th</sup> June 2010 (2Q 2010)**

	Jan - Jun 2011	Jan - Jun 2010	% Increase / (Decrease)	Apr - Jun 2011	Apr - Jun 2010	% Increase / (Decrease)
Volume - Mts million	8.9	7.7	15.6	4.2	4.0	5.0
Retail volume - Mts million	5.2	4.9	6.1	2.7	2.3	17.4
Average Sales Value per MT - US\$	579.0	460.6	25.7	607.1	456.2	33.1
Average Purchase Cost per MT US\$ (note a)	565.5	452.0	25.1	598.0	446.7	33.9
Gross Contribution - US\$ million (note b)	93.7	26.2	N/M	26.8	19.8	35.4
Gross Contribution per MT - US\$	10.6	3.4	N/M	6.3	4.9	28.6
Revenue - US\$ million	5,183.6	3,604.3	43.8	2,596.1	1,855.9	39.9
Profit / (loss) before Tax - US\$ million	36.3	(15.8)	N/M	4.7	(1.3)	N/M
Profit / (loss) after tax US\$ million	24.6	(10.7)	N/M	1.8	3.2	(43.8)
Profit / (loss) after tax and minority interest US\$ million	24.3	(10.3)	N/M	1.0	3.2	(68.8)
Earnings per Share						
- Basic US cents per share	1.88	(0.80)	N/M	0.08	0.25	(68.0)
- Diluted US cents per share	1.87	(0.80)	N/M	0.08	0.25	(68.0)

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 2011 was higher by 40 % at US\$ 2.6 billion as against US\$ 1.9 billion for 2Q 2010. For 1H 2011 the Group's revenue was higher by 44% at US\$ 5.2 billion compared to US\$3.6 billion for 1H 2010.

### **Volumes & Average prices**

#### **2<sup>nd</sup> Quarter & 1<sup>st</sup> Half**

The Group's sales volume for 2Q 2011 was 4.2 million metric tons as compared to 4.0 million metric tons in 2Q 2010, an increase of 5%. The Group's sales volume for 1H 2011 was 8.9 million metric tons as compared to 7.7 million metric tons for the 1H 2010, an increase of 16%. In addition to volumes generated by a business acquired in 2011, the increase in volumes was mainly due to increased ex-wharf sales in Asia. Retail sales in the Americas were lower which was partially compensated by additional wholesale volumes.

Oil prices were higher in 2Q 2011 compared to 2Q 2010 which increased the average sales value in 2Q 2011 by 33% at US\$ 607 per metric ton compared to US\$ 456 per metric ton in 2Q 2010. The increase in purchase costs in 2Q 2011 was 34 % at US\$ 598 per metric ton compared to US\$ 447 per metric ton in 2Q 2010.

The average sales value per metric ton realized during the 1H 2011 was higher by 26 % at US\$ 579 per metric ton against US\$ 461 per metric ton in 1H 2010. The higher prices during the year also pushed up our average purchase costs to US\$ 566 in 1H 2011 from US\$ 452 in 1H 2010, an increase of 25 %.

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

#### **2nd Quarter and 1st Half**

Gross contribution increased by US\$ 7 million to US\$ 26.8 million in 2Q 2011 from US\$ 19.8 million in 2Q 2010 and by US\$ 67.5 million to US\$ 93.7 million in 1H 2011 against US\$ 26.2 million in 1H 2010. Similarly GCMT increased to US\$ 6.3 per metric ton in 2Q2011 as compared to US\$ 4.9 per metric ton in 2Q 2010 and to US\$ 10.6 in 1H 2011 against US\$ 3.4 in 1H 2010.

Margin improvement witnessed in the first quarter of 2011 was impacted by sharp decline in prices in May 2011 coupled with erosion in demand and premiums across multiple delivery locations.

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 & 1<sup>st</sup> Half**

Barging expenses decreased by US\$ 4.9 million or 28% during 2Q 2011 and by US 7.5 million or 21 % during 1H 2011 mainly due to decreased retail sales in Americas.

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

### **1<sup>st</sup> Half**

Rentals decreased by US\$ 2.1 million or 11% during 1H 2011 mainly due to reduced reduction in leased storage facilities in Asia and Europe.

### **Demurrage costs:**

#### **2<sup>nd</sup> Quarter and 1<sup>st</sup> Half**

Demurrage costs decreased by US\$2.4 million or 60 % in 2Q 2011 and by US\$ 4.6 million or 51% in 1H 2011 mainly due to decreased demurrage costs in Americas.

### **Employee benefits:**

#### **2<sup>nd</sup> Quarter and 1<sup>st</sup> Half**

Employee benefits increased by US\$ 1.6 million or 14% in 2Q 2011 and by US\$ 8.5 million or 37% in 1H 2011 due to provisions for bonus and increased headcount due to the acquisition of a business in 2011.

### **Other Expenses:**

#### **1<sup>st</sup> Half**

Other expenses increased by US\$ 7.6 million or 37 % during 1H 2011 mainly due to increased provision for doubtful debts and cargo insurance.

### **Depreciation and amortization:**

#### **2<sup>nd</sup> Quarter and 1<sup>st</sup> Half**

Depreciation and amortization costs are higher by US\$ 3.5 million or 78% for 2Q 2011 and by US\$ 2.6 million or 28% mainly due to the amortization of goodwill upon the sale of a division of a non-core subsidiary.

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

#### **2<sup>nd</sup> Quarter**

The Group's share of profits from associates and joint ventures was lower by US\$ 2.3 million in 2Q 2011 mainly on account of the reduced performance of an associate.

### **Income Tax expense**

In 2011, the Group has tax charges of US\$ 2.9 million for 2Q 2011 and US\$ 11.7 million for 1H 2011 as compared to tax credits of US\$ 4.5 million in 2Q 2010 and US\$ 5.1 million for 1H 2010 reflecting the results in the respective periods.

## **Consolidated Statement of Financial Position**

The Group's total assets increased by 37% to US\$1.72 billion as at end June 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 2011 as compared to December 2010.

Asset Turnover ratios	As of 30 June 2011	FY 2010
Inventory Days (average method)	8.9	13.0
Accounts Receivable Days (average method)	27.2	31.3
Accounts Payable Days (average method)	19.3	21.4

Intangible assets have increased by US\$ 20.7 million mainly due to the acquisition of a business in January 2011. However purchase price allocation of the business to intangible assets is provisional and pending finalization and accordingly no amortisation has been provided in this period.

Borrowings increased to US\$ 681 million as at end June 2011 compared to US\$ 484 million as at end December 2010 (Refer to Note 1 (b) (ii)). The debt to equity ratio increased to 206% in June 2011 compared to 161% as at end December 2010 whereas the net long term debt to equity ratio decreased to 37% as at end June 2011 from 46% as at end December 2010.

Working capital was US\$ 124 million as at end June 2011 against US\$ 119 million at end December 2010 and the shareholders' funds stands at US\$ 326 million as at end of June 2011.

## **Consolidated Cash Flow Statement**

As of June 2011, the Group's net cash used in operating activities was US\$ 136.9 million compared to cash generated from operating activities of US\$ 220.2 million as at end June 2010.

The Group's net cash used in investing activities was US\$ 3.9 million compared to cash generated from investing activities of US\$ 1.2 million as at end June 2010.

The Group's net cash generated from financing activities was US\$ 186.9 million as compared to cash used in financing activities of US\$ 151.2 million as at end June 2010.

The Group has sufficient credit facilities at its disposal to fund its trading and business activities.

**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 quarter ended 30<sup>th</sup> June 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 )
	Apr - June 2011– (US\$' 000)	Apr - June 2011– (US\$' 000)
Itochu Corporation, Japan	6	-
Itochu Petroleum Company Singapore Ltd	1,846	3,475
Itochu Enex Ltd.	-	20,420
<b>Total</b>	<b>1,852</b>	<b>23,895</b>

Name of interested person	Aggregate value of all interested person transactions entered into under the SPS agreement during the financial year under review (\$ in 000's)	Others
Glencore Ltd	291,203	48
Glencore Singapore Pte Ltd	48,277	-
Glencore Energy UK Ltd.	33	-
Glencore Commodities Ltd - Singapore	6,783	-
Glencore Commodities Ltd.	123,473	-
ST Shipping & Transport Inc.	2,125	-
ST Shipping & Transport Pte Ltd. (Singapore)	17,142	-
<b>Total</b>	<b>489,036</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 2<sup>nd</sup> quarter ended 30<sup>th</sup> June 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