

CIRCULAR DATED 1 APRIL 2009

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your shares in the share capital of Chemoil Energy Limited (the "**Company**"), please forward this Circular and the attached Notice of Extraordinary General Meeting and Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through which you effected the sale, for onward transmission to the purchaser or transferee.

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CHEMOIL ENERGY LIMITED

(Company Registration No.: 200591)
(Incorporated in Hong Kong)

CIRCULAR TO MEMBERS

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS;**
- (2) THE PROPOSED MODIFICATIONS TO THE 2006 SHARE OPTION SCHEME; AND**
- (3) THE PROPOSED ALTERATION TO ARTICLE 140 OF THE ARTICLES OF ASSOCIATION.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	22 April 2009 at 3:00 p.m.
Date and time of Extraordinary General Meeting	:	24 April 2009 at 3:00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2:30 p.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Marina Mandarin Hotel Vanda Ballroom, Level 5, 6 Raffles Boulevard Marina Square Singapore 039594

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

<i>“AGM”</i>	:	The annual general meeting of the Company
<i>“Articles”</i>	:	The articles of association of the Company
<i>“Associated Company”</i>	:	A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries and over which the Company has control
<i>“Audit Committee”</i>	:	The Audit Committee of the Company, comprising Michael Lim Choo San as Chairman and Fuminobu Oda and Peter Michael Meade as members as at the date of this Circular
<i>“Board”</i>	:	The Board of Directors of the Company
<i>“Business Day”</i>	:	A day (other than Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CEL Group”</i>	:	Has the meaning ascribed to it in paragraph 3 of this Circular
<i>“Chemoil Commission Determination Date”</i>	:	Has the meaning ascribed to it in paragraph 4.1(a) of Appendix 1 to this Circular
<i>“Chemoil Commission Review Date”</i>	:	Has the meaning ascribed to it in paragraph 4.1(a) of Appendix 1 to this Circular
<i>“Code of Corporate Governance”</i>	:	The Code of Corporate Governance 2005 issued by the Corporate Governance Committee
<i>“Committee”</i>	:	The Nominating and Remuneration Committee of the Company duly authorised, appointed and nominated by the Board pursuant to the Rules to administer the 2006 Share Option Scheme
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore
<i>“Company”</i>	:	Chemoil Energy Limited
<i>“Directors”</i>	:	The directors of the Company for the time being
<i>“EGM”</i>	:	The extraordinary general meeting of the Company, notice of which is given on pages 41 and 43 of this Circular
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“IPT Mandate”</i>	:	The Shareholders’ mandate for interested person transactions, last approved by Shareholders on 25 April 2008
<i>“Itochu Commission Determination Date”</i>	:	Has the meaning ascribed to it in paragraph 4.1(a) of Appendix 1 to this Circular

<i>"Itochu Commission Review Date"</i>	:	Has the meaning ascribed to it in paragraph 4.1(a) of Appendix 1 to this Circular
<i>"Itochu Group"</i>	:	Has the meaning ascribed to it in paragraph 2 of Appendix 1 to this Circular
<i>"Latest Practicable Date"</i>	:	The latest practicable date prior to the printing of this Circular, being 27 March 2009
<i>"Listing Manual"</i>	:	The Listing Manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
<i>"Mandated Interested Person Transactions"</i>	:	Has the meaning ascribed to it in paragraph 3 of Appendix 1 to this Circular
<i>"Prospectus"</i>	:	The prospectus of the Company dated 24 November 2006 in connection with its admission to the Official List of the SGX-ST
<i>"Review Procedures"</i>	:	Has the meaning ascribed to it in paragraph 2.4 of this Circular
<i>"Rules"</i>	:	The rules of the 2006 Share Option Scheme, as the same may be amended from time to time
<i>"Senior Executives"</i>	:	Has the meaning ascribed to it in paragraph 4.1(b) of Appendix 1 to this Circular
<i>"SFA"</i>	:	Securities and Futures Act, Chapter 289 of Singapore
<i>"SGX-ST"</i>	:	Singapore Exchange Securities Trading Limited
<i>"Shareholders"</i>	:	Registered holders of the Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares mean the depositors in the Depository Register whose securities accounts are credited with Shares. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders' securities accounts
<i>"Shares"</i>	:	Ordinary shares in the capital of the Company
<i>"Similar Broker Transactions"</i>	:	Has the meaning ascribed to it in paragraph 4.1(a) of Appendix 1 to this Circular
<i>"Similar Third Party Transactions"</i>	:	Has the meaning ascribed to it in paragraph 4.1(a) of Appendix 1 to this Circular
<i>"subsidiaries"</i>	:	The subsidiaries of a company (as defined in Section 5 of the Companies Act) and "subsidiary" shall be construed accordingly
<i>"2006 Share Option Scheme"</i>	:	The 2006 Share Option Scheme approved by way of written Shareholders' resolutions dated 31 August 2006, particulars of which are set out on pages 108 to 115 of the Prospectus

“Substantial Shareholder”	:	In relation to a corporation that is listed on the SGX-ST, a person who has an interest if voting shares of that corporation where the total votes attached to the said shares are not less than 5% of the total votes attached to all the voting shares of that listed company
“Trustee Arrangement”	:	Has the meaning ascribed to it in paragraph 4.1(d) of this Circular
“S\$”	:	Singapore dollars
“US\$”	:	United States of America dollars
“%”	:	Percentage or per centum

The terms “depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, or any statutory modification thereof, and used in this Circular shall have the same meaning ascribed to it under the Companies Act or statutory modification, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time.

Words and expressions defined in the Rules shall bear the same meanings as used in this Circular, unless the context otherwise requires.

The terms “interested person transaction” and “interested person” shall bear the meanings set out in Chapter 9 of the Listing Manual.

Any discrepancies in this Circular between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

CHEMOIL ENERGY LIMITED

(Company Registration Number: 200591)
(Incorporated in Hong Kong)

Directors:

Clyde Michael Bandy (*Chairman/Chief Executive Officer*)
Vivian Pearl Johnston Chandran (*Non-Executive Director*)
Sharon Stacey Johnston Chandran (*Non-Executive Director*)
Harrison Kam Chang (*Non-Executive Director*)
Fuminobu Oda (*Non-Executive Director*)
Masanobu Takagi (*Non-Executive Director*)
Michael Lim Choo San (*Lead Independent Director*)
Philip Calvin Anderson (*Independent Director*)
Peter Michael Meade (*Independent Director*)

Registered Office:

Suites 4301-5, Tower One
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

1 April 2009

To: The Shareholders of Chemoil Energy Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to be held on 24 April 2009 to seek Shareholders' approval for the following proposals:

- (i) the proposed renewal of the IPT Mandate;
- (ii) the proposed modifications to the 2006 Share Option Scheme; and
- (iii) the proposed alteration to Article 140 of the Articles.

1.2 Circular

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the above proposals to be tabled at the EGM and to seek Shareholders' approval for such proposals at the EGM.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Renewal of IPT Mandate

The IPT Mandate was first adopted by the Shareholders to allow the Company, its subsidiaries and associated companies which are entities at risk within the meaning of Rule 904(2) of the Listing Manual to enter into certain interested person transactions with the classes of interested persons as set out in the IPT Mandate. Details of the IPT Mandate were set out on pages 120 to 125 of the Company's Prospectus.

The IPT Mandate has been renewed at each subsequent general meeting of the Company, and was last renewed at the AGM held on 25 April 2008. The IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the AGM to be held on 24 April 2009. Accordingly, the Directors propose that the IPT Mandate be renewed at the EGM, to take effect until the next AGM of the Company.

2.2 Appendix 1

The IPT Mandate enables the Company, its subsidiaries and its associated companies which are considered to be “entities at risk” within the meaning of Rule 904(2) of the Listing Manual, to enter into any of the transactions falling within the types of interested person transactions described in the Prospectus, with any person who falls within the classes of interested persons described in the Prospectus, provided that such transactions are made on normal commercial terms and are not prejudicial to the Company or its minority Shareholders, and are made in accordance with the review procedures for interested person transactions as set out in the Prospectus.

The classes of interested persons, categories of interested person transactions, rationale for and benefits of the IPT Mandate, and guidelines and review procedures for interested person transactions in respect of which the IPT Mandate is sought to be renewed remain unchanged and are set out in Appendix 1 to this Circular.

The Directors propose that the IPT Mandate be renewed at the EGM in the terms of the ordinary resolution to be proposed at the EGM and (unless revoked or varied by the Company in general meeting) to continue in force until the next AGM of the Company. It is intended that approval from Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to transactions with interested persons.

2.3 Disclosures

Disclosures will be made in the Company’s annual report, giving details of the aggregate value of all interested person transactions conducted with interested persons pursuant to the IPT Mandate during the current financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual. The Company will also announce the aggregate value of transactions conducted pursuant to the IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report, in accordance with the requirements of Chapter 9 of the Listing Manual.

2.4 Audit Committee’s Statement

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee confirms that:

- (a) the methods or procedures for determining transaction prices and the review procedures for interested person transactions set out in Appendix 1 of this Circular (“**Review Procedures**”) have not changed since Shareholders last approved the IPT Mandate; and
- (b) the Review Procedures are sufficient to ensure that the said interested person transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the Review Procedures are inadequate or inappropriate to ensure that the said interested person transactions will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Listing Manual, it will in consultation with the Board take such action as it deems proper in respect of the Review Procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with interested persons.

3. CHAPTER 9 OF THE LISTING MANUAL

Definitions under Chapter 9

Chapter 9 of the Listing Manual applies to transactions which a corporation listed on the SGX-ST or any of its subsidiaries or associated companies which is considered to be an “entity at risk” within the meaning of Rule 904(2) of the Listing Manual, proposes to enter into with a counter-party who is an interested person of the listed corporation within the meaning of Rule 904(4) of the Listing Manual. The following definitions are contained in the Listing Manual.

An “*entity at risk*” means:

- (i) the listed company;
- (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
- (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and its subsidiaries (the “*listed group*”), or the listed group and its interested person(s), has or have control over the associated company.

An “*approved exchange*” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.

An “*associate*” in relation to any director, chief executive officer or controlling shareholder (being an individual) means (i) his immediate family (that is, the spouse, child, adopted child, step-child, sibling or parent), (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, and, in relation to a controlling shareholder (being a company), its subsidiary or holding company or a subsidiary of such holding company or a company in which it and/or they have (directly or indirectly) an interest of 30% or more.

An “*associated company*” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or listed group.

A “*controlling shareholder*” means a person who holds (directly or indirectly) 15% or more of all shares in the company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder) or one who in fact exercises control over the company.

An “*interested person*” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

An “*interested person transaction*” means a transaction between an entity at risk and an interested person.

For the purposes of the IPT Mandate and this Circular, “**CEL Group**” means all or any of the Company, its subsidiaries which are not listed on an approved exchange, and its associated companies which are not listed on an approved exchange and over which the Group and its interested persons have control.

4. THE PROPOSED MODIFICATIONS TO THE 2006 SHARE OPTION SCHEME

4.1 Summary of and Rationale for Proposed Modifications

It is proposed that Rules 2.1, 2.2, 4.5, 6.5, 8.2, 8.3, 8.4, 9.1, 9.2, 9.4, 9.5, 10.1, 10.2 and 20 of the 2006 Share Option Scheme be modified, new Rules 8.5, 8.6, 10.6, 10.7 and Rule 24 be included therein, and the existing Rule 24 be renumbered as Rule 25. It is intended that the modifications apply to all outstanding Options (existing and new Options) granted and to be granted under the 2006 Share Option Scheme.

(a) Proposed deletion of Rule 4.5

Currently, Rule 4.5 of the 2006 Share Option Scheme provides for a limit on the aggregate number of Shares which may be offered by way of grant of Options to the employees and non-executive directors of the Company’s parent company and the Subsidiaries of the parent company, being 20% of the Shares available under the Scheme.

Rule 4.5 is proposed to be deleted as the eligible participants in the Scheme who are referred to in Rules 4.1, 4.2 and 4.4 do not include employees and non-executive directors of the Company’s parent company and the Subsidiaries of the parent company.

(b) Proposed modifications to Rule 6.5

Currently, Rule 6.4 of the 2006 Share Option Scheme provides for Options to be deemed to be accepted on the date falling seven days after the date of grant of the Options where the grantee of an Option is an employee, unless the employee has rejected the grant within this period.

For the purposes of clarity, Rule 6.5 is proposed to be amended to expressly state that an Option rejected by an employee within the seven day deeming period shall lapse.

(c) Proposed modifications to Rules 8.2, 8.3 and 8.4 and proposed insertion of new Rules 8.5 and 8.6

Currently, Rules 8.2, 8.3 and 8.4 of the 2006 Share Option Scheme provide for an immediate lapsing or an accelerated vesting and exercise period of the Options granted under the 2006 Share Option Scheme under certain circumstances or upon the death of a Participant. It is proposed that the circumstances under which Options would immediately lapse be confined to instances of misconduct by, or the bankruptcy of, the Participant (Rule 8.2). In other defined circumstances (Rule 8.3 and new Rule 8.5(b)), it is proposed that Participants be given the full ten year exercise period to exercise their Options unless the Committee otherwise determines at its discretion, or Participants be allowed to exercise vested Options

with the remaining unvested Options lapsing, as applicable. In addition, in the circumstances set out in new Rule 8.5(a), Participants will be allowed to exercise vested Options with the remaining unvested Options lapsing. In relation to the death of a Participant (Rule 8.4), it is proposed that the personal representatives of the Participant may exercise the Options immediately and for the period up to the expiry of the full ten year Exercise Period, unless otherwise determined by the Committee at its discretion. This will give the Company flexibility in preserving the value of Options which would otherwise vest during volatile or depressed market conditions. In the case of death of a Participant, this will avoid causing undue hardship to the Participant's beneficiaries after the Participant's death.

In addition, the previous last sub-paragraph of Rule 8.2(b) has been moved to new Rule 8.6 which clarifies and expands on the deemed date of cessation of employment or directorship for purposes of Rule 8.

(d) Proposed modifications to Rules 9.1, 9.2, 9.4 and 9.5

Rules 9.1 and 9.2 of the 2006 Share Option Scheme are proposed to be amended to clarify that a Participant's right to exercise an Option in the circumstances set out in the said Rules override the provisions of Rule 8.

In addition, Rule 9.2 of the 2006 Share Option Scheme which provides for an accelerated vesting and exercise period of the Options, upon certain court-sanctioned schemes, is proposed to be amended to provide for the full exercise period of ten years for a Participant to exercise the Options, subject to applicable law.

In Rule 9.4, the method of exercise of the Options set out therein is deleted given that it is already addressed in Rule 10. Rule 9.5 is amended to remove the requirement for the compensation to Participants to be certified by Auditors to reduce cost and streamlined the administrative process.

(e) Proposed modifications to Rules 10.1, 10.2 and 20 and proposed insertion of new Rules 10.6 and 10.7

Currently, Rule 10.2 of the 2006 Share Option Scheme provides that the Company may, upon the exercise of an Option, allot and issue new Shares or transfer existing Shares, to the Participant. In addition to these settlement options towards a Participant's exercise of Options, it is proposed that the Company be given the flexibility to pay cash in lieu of delivery of Shares upon an exercise of Option. The Company will have full discretion in determining which of the above three methods (or combination thereof) of settling the exercise of the Option will apply. As a result, Rules 10.1, 10.2 and Schedule C (Form of Exercise of Option) have been amended to cater to this change, and new Rule 10.6 relating to how the Equivalent Value in Cash is calculated and new Rule 10.7 relating to the mode of despatch and payment of the Equivalent Value in Cash, have been included in the Rules.

The Company has appointed Amicorp Trustees (Singapore) Limited to assist with the administration of the 2006 Share Option Scheme (the “**Trustee Arrangement**”). Any cash which the Company would otherwise have expended to the Trustee for the purchase of Shares for the purposes of the 2006 Share Option Scheme under the Trustee Arrangement, can instead be used in payment directly to the Participants. In determining whether to allot new Shares and/or to transfer existing Shares and/or to pay cash in lieu of delivery of Shares to Participants upon an exercise of their Options, the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing and allotting new Shares or transferring existing Shares or paying cash in lieu of delivery of Shares.

The disclaimer of liability in Rule 20 has also been amended to address the cash settlement option described above in this paragraph 4.1(c).

(f) Proposed insertion of new Rule 24 and renumbering of the existing Rule 24 as Rule 25

It is proposed that the existing Rule 24 be renumbered as Rule 25 and a new Rule 24 be inserted to clarify that where prohibited by any relevant laws or regulations, no Shares would be issued or transferred nor cash paid in lieu of delivery of Shares, pursuant to the exercise of an Option. Further, any grant of Options made in contravention of applicable law or regulation would be null and void.

(g) Proposed modifications to Rules 2.1, 2.2 and 7.1

An editorial amendment is proposed to be made to Rule 2.2 by removing the reference to “SGX-ST” before “Listing Manual” given that the latter is already defined in the Rules, and for completeness, the definition of “Record Date” in Rule 2.1 has been added. Rule 7.1 has been renumbered as Rule 7 and the cross reference to Rule 7.1 in the definition of “Exercise Price” in Rule 2.1 has been amended accordingly. In addition, Rule 2.1 has been amended to add the definition of “Equivalent Value in Cash”; please see paragraph 4.1(e) of this Circular. There is also a consequential amendment following from the cash settlement option described in paragraph 4.1(e) of this Circular in the definition of “Aggregate Subscription Cost” in Rule 2.1.

4.2 Appendix 2

The proposed modifications to the 2006 Share Option Scheme are set out in Appendix 2 of this Circular and are subject to Shareholders’ approval. The SGX-ST has approved in-principle the listing and quotation of the Shares arising from the proposed modifications to the 2006 Share Option Scheme, which are subject to Shareholder’s approval. Shareholders should note that the approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the proposed modifications to the 2006 Share Option Scheme or the modified 2006 Share Option Scheme.

4.3 Details of Existing Options

As at the Latest Practicable Date, there were outstanding and unexercised Options granted under the 2006 Share Option Scheme to subscribe for up to an aggregate of 38,540,083 Shares. Details of outstanding Options as at the Latest Practicable Date are as follows:

Date of Grant	Exercise Period	Exercise Price (US\$)	Number of Shares comprised in outstanding Options
14 December 2006	14 December 2007 to 13 December 2016	0.450	24,266,024
27 August 2007	27 August 2008 to 26 August 2017	0.586	516,000
25 September 2007	25 September 2008 to 24 September 2017	0.483	4,480,059
12 December 2008	12 December 2009 to 11 December 2018	0.174	9,278,000
4 March 2009	4 March 2010 to 3 March 2019	0.233	208,333

5. THE PROPOSED ALTERATION TO ARTICLE 140 OF THE ARTICLES OF ASSOCIATION

Currently, under existing Article 140, Directors' resolutions in writing are to be executed by all the Directors other than those absent from Hong Kong.

It is proposed that this be amended to remove any doubt as to whether any Directors at all need to execute such resolutions if none are present in Hong Kong, as a literal reading of Article 140 may lead to the inference that, where no Directors are present in Hong Kong, the Directors' resolution in writing may not have to be executed by any Director at all.

The text of the proposed alteration to Article 140 is set out in Appendix 3 of this Circular.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The details of the Directors' and Substantial Shareholders' interest in the Shares as at the Latest Practicable Date are set out below:

Name of Director or Substantial Shareholder	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest (Number of Shares)	Total Interest (%)⁽⁴⁾
Clyde Michael Bandy	—	—	—	—
Vivian Pearl Johnston Chandran	549,360,000	107,388,194 ⁽²⁾	656,748,194	50.81
Sharon Stacey Johnston Chandran	—	—	—	—
Harrison Kam Chang	—	—	—	—
Masanobu Takagi	—	—	—	—
Fuminobu Oda	—	—	—	—
Michael Lim Choo San	—	—	—	—
Philip Calvin Anderson	—	200,000	200,000	0.02
Peter Michael Meade	—	—	—	—
Itochu Corporation	284,729,000	200,000,000 ⁽³⁾	484,729,000	37.50

Name of Director or Substantial Shareholder	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest (Number of Shares)	Total Interest (%)⁽⁴⁾
Itochu Petroleum Co., (Singapore) Pte. Ltd.	200,000,000	—	200,000,000	15.47
Chandran Family Trust	—	549,360,000 ⁽¹⁾	549,360,000	42.50
(Options to subscribe for Shares)				
Clyde Michael Bandy	4,676,000	—	—	0.36
Michael Lim Choo San	352,000	—	—	0.02
Philip Calvin Anderson	340,000	—	—	0.02
Peter Michael Meade	176,000	—	—	0.01

Notes:

- (1) Vivian Pearl Johnston Chandran holds all the Shares registered in her name as trustee for the Chandran Family Trust in trust for the Chandran Family Trust. The Chandran Family Trust is a revocable living trust under the laws of the United States. The currently acting trustee of the trust is Vivian Pearl Johnston Chandran. It is the Company's understanding that voting and investment control of the Shares held by Vivian Pearl Johnston Chandran is vested in Vivian Pearl Johnston Chandran as trustee of the trust. It is also the Company's understanding that Vivian Pearl Johnston Chandran holds a life interest in the trust. Upon the death of Vivian Pearl Johnston Chandran, the children of Vivian Pearl Johnston Chandran, namely Sharon Stacey Johnston Chandran, who is also a director of the Company, and Ashley Carolyne Johnston Chandran, shall hold equal life interests in the trust. Under Section 4 of the SFA, Vivian Pearl Johnston Chandran is presently deemed, and Sharon Stacey Johnston Chandran and Ashley Carolyne Johnston Chandran (upon succeeding Vivian Pearl Johnston Chandran) will be deemed, to be interested in the Shares registered in the name of Vivian Pearl Johnston Chandran as trustee of the Chandran Family Trust.
- (2) Andorra Services Limited, a company incorporated in Hong Kong, all the shares of which were beneficially owned by the late Robert Viswanathan Chandran will be contributed to the Chandran Family Trust. Under Section 4 of the SFA, Vivian Pearl Johnston Chandran is deemed to be interested in the 107,388,194 Shares held by Andorra Services Limited through DBSN Services Pte. Ltd and Merrill Lynch (Singapore) Pte Ltd.
- (3) Itochu Petroleum Co., (Singapore) Pte. Ltd. is a wholly-owned subsidiary of Itochu Petroleum Japan Ltd, which is a wholly-owned subsidiary of Itochu Corporation. Under Section 4 of the SFA, Itochu Corporation is deemed to be interested in 200,000,000 Shares held by Itochu Petroleum Co., (Singapore) Pte. Ltd.
- (4) As a percentage of the issued share capital of the Company, comprising 1,292,612,000 Shares as at the Latest Practicable Date.

Save as disclosed above, none of the Substantial Shareholders or the Directors has any interest, whether direct or indirect, in the IPT Mandate.

7. DIRECTORS' RECOMMENDATION

7.1 Proposed Renewal of IPT Mandate

The Directors (other than Masanobu Takagi and Fuminobu Oda who are executives of the interested persons or their related corporations or affiliates under the IPT Mandate and who abstain from making any recommendation for Shareholders to vote in favour of the ordinary resolution relating to the proposed renewal of the IPT Mandate) are of the opinion that the proposed IPT Mandate is in the best interests of the Company. Accordingly, the Directors (other than Masanobu Takagi and Fuminobu Oda) recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed IPT Mandate as set out in the Notice of EGM.

Masanobu Takagi and Fuminobu Oda shall also not accept nominations to act as proxy, corporate representative or attorney for any Shareholder in relation to the ordinary resolution relating to the proposed renewal of IPT mandate unless the Shareholder appointing him indicates clearly how his vote is to be cast in respect of the relevant resolution.

7.2 Proposed Modifications to the 2006 Share Option Scheme

The Directors are of the opinion that the proposed modifications to the 2006 Share Option Scheme are in the best interests of the Company. The Directors are all eligible to participate in the 2006 Share Option Scheme, and therefore interested in the proposed modifications to the 2006 Share Option Scheme. They have accordingly abstained from making any recommendation on and shall abstain from voting on the ordinary resolution relating to the proposed modifications to the 2006 Share Option Scheme.

Each of the Directors shall also not accept nominations to act as proxy, corporate representative or attorney for any Shareholder in relation to the ordinary resolution relating to the proposed modifications to the 2006 Share Option Scheme unless the Shareholder appointing him indicates clearly how his vote is to be cast in respect of the relevant resolution.

7.3 Proposed Alteration to Article 140 of the Articles

The Directors are of the opinion that the proposed alteration to Article 140 is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the special resolution relating to the proposed alteration to Article 140 as set out in the Notice of EGM.

8. SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

Each of the interested persons under the IPT Mandate and their associates should abstain from voting on the ordinary resolution relating to the proposed renewal of the IPT Mandate to be proposed at the EGM. Interested persons and their associates should not accept nominations to act as proxy, corporate representative or attorney for any Shareholder in relation to the ordinary resolution relating to such proposed renewal unless specific instructions on how to vote are given in respect of the relevant resolution.

If a Shareholder is eligible to participate in the 2006 Share Option Scheme, he should abstain from voting in respect of his Shares on the ordinary resolution to approve the proposed modifications to the 2006 Share Option Scheme. He should also not accept nominations to act as proxy, corporate representative or attorney for any Shareholder unless the Shareholder appointing him indicates clearly how his vote is to be cast in respect of the relevant resolution.

9. EXTRAORDINARY GENERAL MEETING

The EGM is to be held at Marina Mandarin Hotel, Vanda Ballroom, Level 5, 6 Raffles Boulevard, Marina Square, Singapore 039594 on 24 April 2009 at 3:00 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 2:30 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modification, the resolutions set out in the Notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at office of the Company's Share Transfer Agent in Singapore or at the registered office of the Company, as applicable, not less than 48 hours before the time fixed for the EGM. Completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the Latest Practicable Date and that there are no material facts the omission of which would make any statement in this Circular misleading.

12. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at 1 Temasek Avenue, #36-01 Millenia Tower, Singapore 039192 during normal business hours from the date of this Circular to the date of the EGM:

- (a) the Annual Report of the Company for the financial year ended 31 December 2008;
- (b) the Rules of the 2006 Share Option Scheme as presently in force; and
- (c) the Memorandum and Articles of Association of the Company as presently in force.

Yours faithfully

Clyde Michael Bandy
Chief Executive Officer
Chemoil Energy Limited

SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. IPT MANDATE

1.1 Rationale for and Benefits of the IPT Mandate

The transactions with interested persons are entered into or to be entered into by the CEL Group in the ordinary course of business. They are recurring transactions which are likely to occur with some degree of frequency and arise at any time and from time to time. The IPT Mandate is intended to facilitate these transactions, provided that they are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

The Directors believe that the CEL Group will be able to benefit from such transactions with interested persons.

In view of the time-sensitive nature of commercial transactions, it would be advantageous to the CEL Group to obtain and renew a shareholders' mandate to enter into certain interested person transactions in its normal course of business, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the Company and its minority Shareholders. The IPT Mandate and the renewal of the IPT Mandate on an annual basis will eliminate, among others, the need to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions with interested persons arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the CEL Group.

Pursuant to Rules 907 and 920(1) of the Listing Manual, the Company will:

- (a) announce the aggregate value of interested person transactions entered into with interested persons pursuant to the IPT Mandate, for the quarterly financial periods which it is required to report on pursuant to Rule 705 of the Listing Manual, and within the time required for the announcement of such report; and
- (b) disclose the IPT Mandate in the annual report of the Company, giving details of the aggregate value of interested person transactions entered into during the financial year under review in the annual report.

The name of the interested person and the corresponding aggregate value of the interested person transactions entered into with the same interested person will be presented in the following format:

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)

1.2 Scope of the IPT Mandate

The IPT Mandate will cover a wide range of transactions arising in the ordinary course of business operations of the CEL Group.

Rules 905 and 906 of the Listing Manual do not apply to any transaction which has a value below S\$100,000 with an interested person and therefore transactions below S\$100,000 need not be covered under the IPT Mandate.

Transactions with interested persons which do not fall within the ambit of the proposed IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

2. CLASSES OF INTERESTED PERSONS

The IPT Mandate will apply to certain transactions (as described in the following section “Categories of Interested Person Transactions”) which are carried out with Itochu Corporation and/or its associates (the “Itochu Group”).

3. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The categories of ongoing transactions which will be covered by the IPT Mandate are as follows (collectively, the “Mandated Interested Person Transactions”):

(a) *Procurement or sale of fuel oil, diesel oil and blend components for a commission*

From time to time, the CEL Group may request the Itochu Group to purchase or sell fuel oil, diesel oil and blend components on its behalf. A commission, based on volume per metric ton or per barrel based on delivered volume being a percentage of the invoiced amount, will be payable to the Itochu Group for the provision of such procurement and sales services and such commission rate will be agreed between the parties at the beginning of the financial year. The CEL Group will enter into such transactions when, among other factors, the Itochu Group, and not the CEL Group, is registered with the potential supplier or purchaser and/or has been invited for a tender by the potential supplier or purchaser. Accordingly, this arrangement is beneficial to the CEL Group as it will be able to supply to or purchase from suppliers or purchasers, as the case may be, that it is not registered with or in transactions for which it has not been invited to tender.

From time to time, the Itochu Group may request the CEL Group to purchase or sell fuel oil, diesel oil and blend components on its behalf. A commission, based on volume per metric ton or per barrel based on delivered volume being a percentage of the invoiced amount, will be payable to the CEL Group by the Itochu Group for the provision of such procurement and sales services and such commission rate will be agreed between the parties at the beginning of the financial year. The CEL Group will enter into such transactions when, among other factors, the CEL Group, and not the Itochu Group, is registered with the potential supplier or purchaser and/or has been invited for a tender by the potential supplier or purchaser. This arrangement is beneficial to the CEL Group as it will be able to earn commission by providing such procurement and sales services to the Itochu Group.

(b) *Sales and purchases of petroleum products and derivative financial instruments to and from the Itochu Group*

From time to time, the CEL Group may purchase petroleum products (which include fuel oil, diesel oil and blend components) and derivative financial instruments from the Itochu Group and on-sell these petroleum products to its customers. The CEL Group may also, from time to time, sell petroleum products and derivative financial instruments to the Itochu Group. The consideration for these transactions will be based on the market price of the petroleum products and the derivative financial instruments at the time of transaction.

Future transactions falling within the categories described above and entered into with the classes of interested persons described above will also be covered by the IPT Mandate.

4. GUIDELINES AND REVIEW PROCEDURES FOR MANDATED INTERESTED PERSON TRANSACTIONS

4.1 To ensure that the Mandated Interested Person Transactions are undertaken on normal commercial terms and on an arm's length basis which will not be prejudicial to the Company's interests and the interests of minority Shareholders, the following procedures have been implemented for the renewal and approval of interested person transactions under the IPT Mandate:

(a) *Procurement or sale of fuel oil, diesel oil and blend components for a commission*

The procurement or sales commission rate to be paid to the Itochu Group in each financial year for the provision of procurement or sales services will be agreed between the CEL Group and the Itochu Group at the beginning of the financial year. The commission rate payable to the Itochu Group shall be the most competitive commission rate (which shall take into account factors such as quality, delivery schedule, pricing and volume) of transactions of similar nature by the CEL Group with unrelated third party brokers or agents ("**Similar Broker Transactions**") within the last two weeks of the date of determination of the commission rate ("**Itochu Commission Determination Date**"). In the event there are no Similar Broker Transactions for the determination of commission rate within the last two weeks of the Itochu Commission Determination Date, the commission rate shall be the most competitive commission rate of Similar Broker Transactions during the period between the last two weeks and one month of the Itochu Commission Determination Date. The commission rate will be reviewed every quarter against the commission rates of Similar Broker Transactions within the last two weeks of the date of review ("**Itochu Commission Review Date**"). In the event there are no Similar Broker Transactions for the review of commission rate within the last two weeks of the Itochu Commission Review Date, the commission rate shall be reviewed against the commission rates of Similar Broker Transactions during the period between the last two weeks and one month of the Itochu Commission Review Date. The Company's chief executive officer or chief financial officer (with no interest, direct or indirect, in the relevant transactions) will approve the commission rate to be paid to the Itochu Group and any subsequent changes to the commission rate during the financial year. The CEL Group will enter into such transactions when, among other factors, the Itochu Group, and not the CEL Group, is registered with the potential supplier or purchaser and/or has been invited for a tender by the potential supplier or purchaser. The amount the CEL Group pays to the Itochu Group for its provision of procurement or sales services includes the commission payable to the Itochu Group and the value of the fuel oil, diesel oil and blend component. The CEL Group maintains a register of its transactions with the Itochu Group (including the invoices of the fuel oil, diesel oil and blend component from the suppliers or purchasers, as the case may be, as evidence that the CEL Group is paying only commission at the agreed rate to the Itochu Group).

The procurement or sales commission rate to be paid to the CEL Group by the Itochu Group in each financial year for the provision of procurement or sales services by it will be agreed between the CEL Group and the Itochu Group at the beginning of the financial year. The commission rate payable by the Itochu Group shall be the most competitive commission rate (which shall take into account factors such as quality, delivery, schedule, pricing and volume) of transactions of similar nature by the CEL Group with unrelated third parties ("**Similar Third Party Transactions**") within the last two weeks of the date of determination of the commission rate ("**Chemoil Commission Determination Date**"). In the event there are no Similar Third Party Transactions for the determination of commission rate within the last two

weeks of the Chemoil Commission Determination Date, the commission rate shall be the most competitive commission rate of Similar Third Party Transactions during the period between the last two weeks and one month of the Chemoil Commission Determination Date. The commission rate will be reviewed every quarter against the commission rates of Similar Third Party Transactions within the last two weeks of the date of review ("**Chemoil Commission Review Date**"). In the event there are no Similar Third Party Transactions for the review of commission rate within the last two weeks of the Chemoil Commission Review Date, the commission rate shall be reviewed against the commission rates of Similar Third Party Broker Transactions during the period between the last two weeks and one month of the Chemoil Commission Review Date. The Company's chief executive officer or chief financial officer (with no interest, direct or indirect, in the relevant transactions) will approve the commission rate to be charged by the CEL Group and any subsequent changes to the commission rate during the financial year. The CEL Group will enter into such transactions when, among other factors, the CEL Group, and not the Itochu Group, is registered with the potential supplier or buyer and/or has been invited for a tender by the potential supplier or purchasers. The amount the CEL Group receives from the Itochu Group for its provision of procurement or sales services includes the commission payable to the CEL Group and the value of the fuel oil, diesel oil and blend component. The CEL Group maintains a register of its transactions with the Itochu Group (including its invoices and the invoices of the fuel oil, diesel oil and blend component from the suppliers or purchasers, as the case may be, as records of the commissions the CEL Group receives from the Itochu Group).

(b) *Sales and purchases of petroleum products and derivative financial instruments to and from the Itochu Group*

When selling and purchasing petroleum products (which include fuel oil, diesel oil and blend components) and derivative financial instruments to and from the Itochu Group, a senior executive (with no interest, direct or indirect, in the relevant transactions) of the CEL Group shall compare the terms offered by the Itochu Group against the terms of at least two quotations obtained from unrelated third parties of similar quantities and/or quality of products or derivative financial instrument, prior to the entering into of the contract or transaction with the Itochu Group, as a basis for comparison to determine whether the price and terms offered by the Itochu Group are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of products or derivative financial instrument. The senior executives of the CEL Group (with no interest, direct or indirect, in the relevant transactions) for this purpose include the Company's chief executive officer, chief financial officer, vice president supply & distribution, vice president sales and marketing and the managing director for that geographical location ("**Senior Executives**").

The CEL Group will only sell to or purchase petroleum products and derivative financial instruments from the Itochu Group if the terms offered by the Itochu Group are comparable to the terms of the two of the most competitive quotations by unrelated third parties. In determining the competitiveness of the quotations (including against those from the Itochu Group), all pertinent factors, including but not limited to pricing, quality, delivery time and track record, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will be taken into consideration.

In the event that no quotation from unrelated third party suppliers or purchasers in respect of petroleum products and derivative financial instruments is available for comparison, the CEL Group will only sell to or purchase from the Itochu Group if the terms offered by the Itochu Group are comparable to recent actual transactions of similar nature published in recognised industry publications.

In relation to the sales and purchases of petroleum products to and from the Itochu Group, in the event that no quotation from unrelated third party suppliers or purchasers is available for comparison and that published rates of recent actual transactions of similar nature were not available, applicable or comparable in recognised industry publications, the transaction will be reviewed and approved by two Senior Executives (with no interest, direct or indirect, in the relevant transactions) after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity and credit terms.

The CEL Group maintains a register of its transactions with the Itochu Group (including the quotations obtained from unrelated third parties, when quotations from third parties are available, or the relevant factors for consideration at the time of transaction, when quotations from third parties are not available).

- 4.2 The Audit Committee will review all of the CEL Group's interested person transactions, including the Mandated Interested Person Transactions, on a quarterly basis. Transactions relating to (a) the procurement or sale of fuel oil, diesel oil and blend components for a commission, and the sales and purchases of petroleum products to and from the Itochu Group, of a value equal to or exceeding US\$20 million each, and (b) the sales and purchases of derivative financial instruments to and from the Itochu Group of a value equal to or exceeding US\$5 million each, will be reviewed and approved by the Audit Committee and the Board prior to the entry of such transactions. The Audit Committee and the Board may, as they deem fit, request for additional information pertaining to the transaction from independent sources or advisers, including the obtaining of valuations from professional valuers. For the purpose of determining whether the above threshold has been exceeded, the value of the transaction relating to the procurement or sale of fuel oil, diesel oil and/or blend components for a commission shall be the aggregate of the value of the fuel oil, diesel oil and/or blend components and the commission payable to or receivable from the Itochu Group.
- 4.3 The CEL Group has also implemented the following procedures for the identification of interested persons and the recording of all of the CEL Group's interested person transactions:
- (a) the CEL Group will maintain a register of all transactions carried out with interested persons, whether mandated or non-mandated. The CEL Group's internal audit plan will incorporate a review of all interested person transactions whether mandated or non-mandated; and
 - (b) on a quarterly basis, the CEL Group's internal auditors will submit a report to its Audit Committee of all recorded interested person transactions, and the basis of such transactions, entered into by the CEL Group.
- 4.4 The Audit Committee will review all of the CEL Group's interested person transactions, whether they are Mandated Interested Person Transactions or otherwise, on a quarterly basis and will include the review of all interested person transactions as part of its standard procedures while examining the adequacy of the CEL Group's internal controls.

In the event that a member of the Board, a member of the Audit Committee or an authorised reviewing officer, where applicable, has a conflict of interests in relation to any interested person transaction, he will abstain from reviewing and approving that particular transaction. The Board will also ensure that all disclosure requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all interested person transactions entered into pursuant to the IPT Mandate.

- 4.5 The Audit Committee shall review the internal audit reports to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. In addition, the Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that the Mandated Interested Person Transactions are conducted on normal commercial terms. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and procedures as stated above are not sufficient to ensure that these interested person transactions will be on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders, the Company will, pursuant to Rules 920(1)(b)(iv) and (vii) of the Listing Manual, revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with interested persons.

The Board shall have overall responsibility for the determination of the review procedures with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.

5. REVIEW OF NON-MANDATED INTERESTED PERSON TRANSACTIONS AND REVIEW BY THE AUDIT COMMITTEE

All other existing and future interested person transactions not subject to the IPT Mandate will be reviewed and approved in accordance with the threshold limits set out above and where applicable, in accordance with the limits set out under Chapter 9 of the Listing Manual, to ensure that they are carried out on normal commercial terms and are not prejudicial to the Company's interests and the interests of minority Shareholders. In the event that such interested person transactions require the approval of the Board and the Audit Committee, relevant information will be submitted to the Board or the Audit Committee for review. In the event that such interested person transactions require the approval of Shareholders, additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.

The Audit Committee will also review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual) are complied with. The Company will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

6. VALIDITY PERIOD OF THE IPT MANDATE

The IPT Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company.

PROPOSED MODIFICATIONS TO THE RULES OF THE 2006 SHARE OPTION SCHEME

The proposed modifications to the 2006 Share Option Scheme are set out below. For ease of reference and where appropriate, the full text of the relevant Rules of the 2006 Share Option Scheme which are proposed to be modified have been reproduced and the relevant changes made highlighted below.

Existing definition of “Aggregate Subscription Cost” under Rule 2.1

“Aggregate Subscription Cost” : The total amount payable for Shares which may be acquired on the exercise of an Option.

Proposed Modification to definition of “Aggregate Subscription Cost” under Rule 2.1

By deleting the definition of “Aggregate Subscription Cost” and substituting therefor the following:

“Aggregate Subscription Cost” : The total amount payable for **any** Shares which may be acquired on the exercise of an Option.

Proposed New Definitions under Rule 2.1

By inserting new definitions of “Equivalent Value in Cash” and “Record Date” as follows:

“Equivalent Value in Cash” : **Shall bear the meaning set out in Rule 10.6.**

“Record Date” : **Shall bear the meaning set out in Rule 10.4.**

Existing definition of “Exercise Price” under Rule 2.1

“Exercise Price” : The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 7.1, as adjusted in accordance with Rule 12.

Proposed Modification to definition of “Exercise Price” under Rule 2.1

By deleting the definition of “Exercise Price” and substituting therefor the following:

“Exercise Price” : The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 7, as adjusted in accordance with Rule 12.

Existing Rule 2.2

2.2 The terms “Depositor” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 130A of the Companies Act and the term “associate” “Controlling Shareholders” and “control” shall have the meaning ascribed to it by the SGX-ST Listing Manual or any other publication prescribing rules or regulations for corporations admitted to the Official List of the SGX-ST (as modified, supplemented or amended from time to time).

Proposed Modification to Rule 2.2

By deleting Rule 2.2 in its entirety and substituting therefor the following:

- 2.2 The terms “Depositor” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 130A of the Companies Act and the term “associate” “Controlling Shareholders” and “control” shall have the meaning ascribed to it by the ~~SGX-ST~~ Listing Manual or any other publication prescribing rules or regulations for corporations admitted to the Official List of the SGX-ST (as modified, supplemented or amended from time to time).

Existing Rules 4.5 and 4.6

- 4.5 The aggregate number of Shares which may be offered by way of grant of Options to the employees and non-executive directors of the Company’s parent company and the Subsidiaries of the parent company shall not exceed 20% of the Shares available under the Scheme.
- 4.6 Subject to the requirement of the Stock Exchange, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

Proposed Deletion of Rule 4.5 and Renumbering of Existing Rule 4.6 as Rule 4.5

- ~~4.5 The aggregate number of Shares which may be offered by way of grant of Options to the employees and non-executive directors of the Company’s parent company and the Subsidiaries of the parent company shall not exceed 20% of the Shares available under the Scheme.~~
- ~~4.6~~**4.5** Subject to the requirement of the Stock Exchange, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

Existing Rule 6.5

- 6.5 If a grant of an Option has been rejected or refused or has not been accepted in the manner as provided in Rule 6.4(a) or (b) respectively, such offer shall, upon service of the notice rejecting or refusing the grant or upon the expiry of the said 30 day period (as the case may be), automatically lapse and become null, void and of no effect.

Proposed Modification to Rule 6.5

By deleting Rule 6.5 in its entirety and substituting therefor the following:

- 6.5 If a grant of an Option has been rejected or refused or has not been accepted in the manner as provided in Rule 6.4(a) or (b) respectively, such offer shall, upon service of the notice rejecting or refusing the grant **within the said 7 day period** or upon the expiry of the said 30 day period (as the case may be), automatically lapse and become null, void and of no effect.

Proposed Modification to Rule 7.1

Rule 7.1 will be renumbered as Rule 7.

Existing Rule 8.2

- 8.2 An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:
- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
 - (b) subject to Rule 8.3(b), where the Participant ceases at any time to be in the employment of any of the Group, for any reason whatsoever;
 - (c) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Option; or
 - (d) the company by which he is employed ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group.

For the purpose of Rule 8.2(b), the Participant shall be deemed to have ceased to be so employed as of the last day of his employment.

For avoidance of doubt, no Option shall lapse pursuant to Rule 8.2(b) in the event of any transfer of employment of a Participant between the Group.

Proposed Modification to Rule 8.2

By deleting Rule 8.2 in its entirety and substituting therefor the following:

- 8.2 An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company **in the event of:**
- (a) ~~in the event of~~ misconduct on the part of the Participant as determined by the Committee in its discretion; **or**
 - (b) ~~subject to Rule 8.3(b), where the Participant ceases at any time to be in the employment of any of the Group, for any reason whatsoever;~~
 - (eb) ~~the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Option; or~~
 - (d) ~~the company by which he is employed ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group.~~

~~For the purpose of Rule 8.2(b), the Participant shall be deemed to have ceased to be so employed as of the last day of his employment.~~

~~For avoidance of doubt, no Option shall lapse pursuant to Rule 8.2(b) in the event of any transfer of employment of a Participant between the Group.~~

Existing Rule 8.3

8.3 In any of the following events, namely:

- (a) where the Participant ceases at any time to be in the employment of any of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age; or
 - (iv) retirement before the legal retirement age with the consent of the Committee; or
- (b) any other event approved in writing by the Committee,

the Participant may exercise any Option:

- (i) in the case where the cessation of employment or cessation to be a director, as the case may be, occurs after the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the date of such cessation of employment or such cessation to be a director, as the case may be, or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period the Option shall lapse; and
- (ii) in the case where the cessation of employment or cessation to be a director, as the case may be, occurs before the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the first day of the Exercise Period in respect of that Option, and upon expiry of such period the Option shall lapse.

Proposed Modification to Rule 8.3

By deleting Rule 8.3 in its entirety and substituting therefor the following:

8.3 In any of the following events, namely:

- (a) where the Participant ceases at any time to be **a Director or** in the employment of any **entity** of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) **in the event of any employee of the Group**, redundancy;
 - (iii) retirement at or after the legal retirement age **as established under the laws of the Republic of Singapore**; ~~or~~
 - (iv) retirement before the legal retirement age **as established under the laws of the Republic of Singapore**, with the consent of the Committee; or
 - (v) **subject to Rules 8.2(a) and (b), any reason whatsoever approved by the Committee; or**
- (b) any other event approved in writing by the Committee,

Options granted to the Participant shall continue to vest under the vesting schedule of such Options (even after the Participant ceases to be a Director or in the employment of any entity of the Group) and the Participant may exercise any vested Option within the relevant Exercise Period, unless otherwise determined by the Committee in its absolute discretion.

~~the Participant may exercise any Option:~~

- ~~(i) in the case where the cessation of employment or cessation to be a director, as the case may be, occurs after the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the date of such cessation of employment or such cessation to be a director, as the case may be, or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period the Option shall lapse; and~~
- ~~(ii) in the case where the cessation of employment or cessation to be a director, as the case may be, occurs before the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the first day of the Exercise Period in respect of that Option, and upon expiry of such period the Option shall lapse.~~

Existing Rule 8.4

- 8.4 If a Participant dies, whether or not while still in the employment of any of the Group and at the date of his death holds any unexercised Option, such Option shall continue to be exercisable by the duly appointed personal representatives of the Participant:
- (a) in the case where death occurs after the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the date of such cessation of employment or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period the Option shall lapse; and
 - (b) in the case where the death occurs before the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the first day of the Exercise Period in respect of that Option, and upon expiry of such period, the Option shall lapse.

Proposed Modification to Rule 8.4

By deleting Rule 8.4 in its entirety and substituting therefor the following:

- 8.4 If a Participant dies, whether or not while still **as a Director or** in the employment of any entity of the Group and at the date of his death holds any unexercised Option (**i.e. any Option which has not been previously exercised, whether or not vested pursuant to Rule 8.1**), such Option shall ~~continue to be exercisable~~, **notwithstanding Rule 8.1, be exercisable during the period commencing on the date of his death and ending on the date of expiry of the Exercise Period relating thereto**, by the duly appointed personal representatives of the Participant, **unless otherwise determined by the Committee in its absolute discretion.**
- ~~(a) in the case where death occurs after the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the date of such cessation of employment or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period the Option shall lapse; and~~
 - ~~(b) in the case where the death occurs before the first day of the Exercise Period in respect of such Option, within the period of six (6) months after the first day of the Exercise Period in respect of that Option, and upon expiry of such period, the Option shall lapse.~~

Proposed New Rule 8.5

By inserting a new Rule 8.5 as follows:

8.5 In any of the following events:

(a) Where the Participant ceases at any time to be a Director or in the employment of any entity of the Group by reason of:

(i) the company by which he is employed ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group; or

(ii) any reason or event other than as set forth in Rules 8.3(a) or 8.4; or

(b) any other event approved in writing by the Committee,

unless such Options have lapsed pursuant to Rule 8.2, the Participant may exercise any Option which vested on or prior to the date on which the Participant ceased to be a Director or in the employment of any entity within the Group, within the relevant Exercise Period, and all unvested Options shall lapse on the date the Participant ceases to be a Director or in the employment of any entity within the Group.

Proposed New Rule 8.6

By inserting a new Rule 8.6 as follows:

8.6 For the purpose of Rule 8, the Participant shall be deemed to have ceased to be so employed on the day immediately following the last day of his employment with any entity of the Group and shall cease to be a Director on the day immediately following the last day of his directorship with any entity of the Group.

For avoidance of doubt, no Option shall lapse pursuant to Rule 8.5 in the event of any transfer of directorship or employment of a Participant between any entities within the Group.

Existing Rule 9.1

9.1 Subject to Rule 8 and Rule 9.5 and the requirements of the Listing Manual, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

(a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and the Stock Exchange, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or

(b) the date of expiry of the Exercise Period relating thereto,

whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 8, remain exercisable until the expiry of the Exercise Period relating thereto.

Proposed Modification to Rule 9.1

By deleting Rule 9.1 in its entirety and substituting therefor the following:

9.1 ~~Subject to~~**Notwithstanding** Rule 8 and ~~Rule 9.5~~ and **subject to Rule 9.5** and the requirements of the Listing Manual, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and the Stock Exchange, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or
- (b) the date of expiry of the Exercise Period relating thereto, whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 8, remain exercisable until the expiry of the Exercise Period relating thereto. **For the avoidance of doubt, the provisions of this Rule 9.1 shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.**

Existing Rule 9.2

9.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, subject to Rule 8 and Rule 9.5, to exercise any Option then held by him, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.

Proposed Modification to Rule 9.2

By deleting Rule 9.2 in its entirety and substituting therefor the following:

- 9.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, ~~subject to Rule 8 and Rule 9.5~~ **notwithstanding Rule 8 and subject to Rule 9.5**, to exercise any Option then held by him, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either ~~on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void~~ **date of expiry of the Exercise Period relating thereto, subject to applicable laws and to any orders made under or in connection with the court-sanctioned compromise or arrangement which are binding on the Participant or on the Company in respect of the Options.**

Existing Rule 9.4

- 9.4 Subject to Rule 8 and Rule 9.5, in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 9.4) and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the Aggregate Subscription Cost whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.

Proposed Modification to Rule 9.4

By deleting Rule 9.4 in its entirety and substituting therefor the following:

- 9.4 ~~Subject to Rule 8 and Rule 9.5,~~ **In** the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 9.4) and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company ~~by giving notice in writing to the Company, accompanied by a remittance for the Aggregate Subscription Cost whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above,~~ allot the relevant Shares to the Participant credited as fully paid.

Existing Rules 9.5 and 9.6

- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6 To the extent that an Option is not exercised within the periods referred to in this Rule 9, it shall lapse and become null and void.

Proposed Deletion of Existing Rule 9.5 and Modification of Existing Rule 9.6

By deleting Rules 9.5 and 9.6 in their entirety and substituting therefor the following:

- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (~~which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable~~) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6 To the extent that an Option is not exercised within the periods **referred to in this Rule 9 in the event of any occurrence** referred to in this Rule 9, it shall lapse and become null and void.

Existing Rule 10.1

- 10.1 Subject to Rules 8.1, an Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule C, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by payment in cash for the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the Aggregate Subscription Cost. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.

Proposed Modification to Rule 10.1

By deleting Rule 10.1 in its entirety and substituting therefor the following:

- 10.1 Subject to Rules 8.1, an Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule C, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by payment in cash for the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require, **except that where the Company elects to provide cash in lieu of allotting or transferring Shares upon the exercise of an Option, the Aggregate Subscription Cost shall be deemed to have been received by the Company upon the Company paying to the Participant the Equivalent Value in Cash (after deduction of any applicable taxes and less the Aggregate Subscription Cost). (This election by the Company to provide cash**

in lieu of allotting or transferring Shares upon the exercise of an Option shall hereinafter be known as the Stock Appreciation Rights Election.) An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the **receipt or deemed receipt (as aforementioned) of the** Aggregate Subscription Cost. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.

Existing Rule 10.2

- 10.2 Subject to such consents or other required action of any competent authority under any regulations or enactment for the time being in force as may be necessary and subject to the compliance with the terms of the Scheme and the Memorandum and Articles of Association of the Company, the Company shall, within 10 Market Days after the exercise of an Option, do any one or more of the following in relation to the exercise of such Option as it deems fit in its sole and absolute discretion:
- (a) allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit and the Company shall, as soon as practicable after such allotment, apply to the Stock Exchange for permission to deal in and for quotation of such Shares, if necessary; and/or
 - (b) transfer existing Shares to the Participant, whether such existing Shares are held as treasury shares or otherwise.

Proposed Modification to Rule 10.2

By deleting Rule 10.2 in its entirety and substituting therefor the following:

- 10.2 Subject to such consents or other required action of any competent authority under any regulations or enactment for the time being in force as may be necessary and subject to the compliance with the terms of the Scheme and the Memorandum and Articles of Association of the Company, the Company shall, within 10 Market Days after the exercise of an Option, do any one or more of the following in relation to the exercise of such Option as it deems fit in its sole and absolute discretion:
- (a) allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit and the Company shall, as soon as practicable after such allotment, apply to the Stock Exchange for permission to deal in and for quotation of such Shares, if necessary; and/or
 - (b) transfer existing Shares to the Participant, whether such existing Shares are held as treasury shares or otherwise.; **and/or**
 - (c) **where the Company has elected to provide cash in lieu of Shares upon the exercise of an Option, pay the Equivalent Value in Cash (after deduction of any applicable taxes and less the Aggregate Subscription Cost) to the Participant upon the exercise of an Option, in lieu of allotting or transferring all or some of the Shares to be allotted or transferred to the Participant upon the exercise of his Option.**

Proposed New Rule 10.6

By inserting a new Rule 10.6 as follows:

10.6 For the purposes of this Rule 10, “Equivalent Value in Cash” to be paid to a Participant in lieu of the Shares to be allotted or transferred upon the exercise of an Option, shall be calculated in accordance with the following formula:

$$A = B \times C$$

Where:

A = the Equivalent Value in Cash to be paid to the Participant in lieu of all or some of the Shares to be allotted or transferred upon the exercise of an Option, rounded to the nearest whole cent in the event of fractional prices;

B = a price equal to the last dealt price for the Shares on the Stock Exchange on the date on which an Option is deemed to be exercised in accordance with Rule 10.1, or if such date is not a Market Day or if there were no transactions done for the Shares on the Stock Exchange on such date, on the latest Market Day preceding such date on which there were transactions done for the Shares on the Stock Exchange; and

C = the number of Shares, as determined by the Company in its sole and absolute discretion) in respect of which cash will be paid to a Participant in lieu of Shares to be allotted or transferred to the Participant upon his exercise of an Option in accordance with Rule 10.1.

Proposed New Rule 10.7

By inserting a new Rule 10.7 as follows:

10.7 Where the Company has approved the payment of the Equivalent Value in Cash to the Participant upon his exercise of an Option in lieu of allotting or transferring all or some of the Shares to be issued to the Participant, a cheque for the payment of such Equivalent Value in Cash (after deduction of any applicable taxes and less the Aggregate Subscription Cost) to the Participant shall be despatched to the Participant by ordinary post at his own risk to the last address of the Participant registered with the Company (or such other mode as the Company may deem fit) not more than ten (10) Market Days after the exercise of an Option. The Company shall not be liable for any loss or delay in transmission (whichever the mode of payment).

Existing Rule 20

20. Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to our delay in issuing the Shares or applying for or procuring the listing of the Shares on the Stock Exchange in accordance with Rule 10.2.

Proposed Modification to Rule 20

By deleting Rule 20 in its entirety and substituting therefor the following:

20. Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to our delay in issuing the Shares or applying for or procuring the listing of the Shares on the Stock Exchange **or making the relevant payment** in accordance with Rule 10.2.

Proposed New Rule 24 and Renumbering of Existing Rule 24 as Rule 25

By inserting a new Rule 24 as follows, and renumbering existing Rule 24 as Rule 25:

24. CONDITIONS OF OPTION

Every Option granted shall be subject to the condition that no Shares shall be allotted or transferred nor the Equivalent Value in Cash (after deduction of any applicable taxes and less the Aggregate Subscription Cost) in lieu of the allotment or transfer of Shares be paid, pursuant to the exercise of an Option, if such allotment or transfer or such payment would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body or authority for the time being in force in Singapore or Hong Kong or any other relevant country having jurisdiction in relation to the grant of Options or the allotment or transfer of Shares hereunder to a Participant or the payment of the aforementioned sum to a Participant. In the event that a grant of an Option or the exercise of the Participant's rights hereunder or the compliance by the Participant or the Company with the provisions of the Scheme would or may result in a contravention of any applicable law, enactment, rule or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

Existing Schedule A

2006 EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

Date: _____

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the 2006 Employee Share Option Scheme (“**Share Option Scheme**”), you have been nominated to participate in the Share Option Scheme by the Committee appointed by the Board of Directors of Chemoil Energy Limited (the “**Company**”) to administer the Share Option Scheme. Terms as defined in the Share Option Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of HK\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$ _____ for each Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Share Option Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of HK\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of
Chemoil Energy Limited

Name:

Designation:

Proposed Modification to Schedule A

By deleting Schedule A in its entirety and substituting therefor the following:

2006 EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

Date: _____

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the 2006 Employee Share Option Scheme (“**Share Option Scheme**”), you have been nominated to participate in the Share Option Scheme by the Committee appointed by the Board of Directors of Chemoil Energy Limited (the “**Company**”) to administer the Share Option Scheme. Terms as defined in the Share Option Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of HK\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$_____ for each Share.

*** If you accept the offer, the Exercise Period and number of Shares comprised in the Option which are exercisable will be as follows:**

Exercise Period	Option exercisable in respect of the following number of Shares comprised in the Option
From _____ to _____	(i) up to _____ %
From _____ to _____	(ii) up to _____ % (including (i) above)
From _____ to _____	(iii) up to _____ % (including (i) and (ii) above)
From _____ to _____	(iv) up to _____ % (including (i), (ii) and (iii) above)
From _____ to _____	100%

3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Share Option Scheme, a copy of which is available for inspection at the business address of the Company.

5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of HK\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse. **Please forward a scanned copy by way of email to the email address: EmployeeStockPlan@chemoil.com, and at the same time, submit the original Acceptance Form in a sealed envelope to:**

**Employee Stock Plan Administration
Chemoil Energy Limited
c/o CIPL, 1 Temasek Avenue
#36-01 Millenia Tower
Singapore 039192**

Please enclose together with the Acceptance Form payment for the sum of HK\$1.00 or its equivalent [or authorize the Company to deduct the said amount from your salary].**

****[6. If you don't wish to accept the offer of the Option, please inform the Company by no later than 5.00 pm on _____ that you wish to decline the offer. If you do not return the Acceptance Form but do not inform the Company of your declination of the offer by _____, this Option shall be deemed to have been accepted on _____ and the sum of HK\$1.00 or its equivalent shall be deducted from your salary.]**

Notes:

- * **Conditions (if any) to be attached to the exercise of the Option will be determined by the Committee at its absolute discretion.**
- ** **Delete accordingly**

Yours faithfully,
For and on behalf of
Chemoil Energy Limited

Name:
Designation:

Existing Schedule C

2006 EMPLOYEE SHARE OPTION SCHEME

FORM OF EXERCISE OF OPTION

Total number of ordinary shares (the " Shares ") offered at S\$ _____ for each Share (the " Exercise Price ") under the Scheme on _____ (Date of Grant)	:	_____
Number of Shares previously allotted thereunder	:	_____
Outstanding balance of Shares to be allotted thereunder	:	_____
Number of Shares now to be subscribed	:	_____

To: The Committee,
2006 Employee Share Option Scheme,

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Chemoil Energy Limited (the "**Company**") at S\$ _____ for each Share.
2. I enclose a *cheque/cashier's order/banker's draft/postal order no. _____ for S\$ _____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the 2006 Employee Share Option Scheme and the Memorandum and Articles of Association of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited ("**CDP**") for credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities Account No. : _____

OR

*Sub-Account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

Note:

* Delete accordingly

Proposed Modification to Schedule C

By deleting Schedule C in its entirety and substituting therefor the following:

2006 EMPLOYEE SHARE OPTION SCHEME

FORM OF EXERCISE OF OPTION

Total number of ordinary shares (the “ Shares ”) offered at S\$ _____ for each Share (the “ Exercise Price ”) under the Scheme on _____ (Date of Grant)	:	_____
Number of Shares previously received thereunder	:	_____
Outstanding balance of Shares to be received thereunder	:	_____
Number of Shares now to be received	:	_____

To: The Committee,
2006 Employee Share Option Scheme,

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Chemoil Energy Limited (the “**Company**”) at S\$ _____ for each Share.
- **2. I enclose a *cheque/cashier’s order/banker’s draft/postal order no. _____ for S\$ _____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for/**receive the said Shares and/or receive the Equivalent Value in Cash (after deduction of any applicable taxes and less the Aggregate Subscription Cost), as determined by the Company at its absolute discretion,** subject to the terms of the Letter of Offer, the 2006 Employee Share Option Scheme and the Memorandum and Articles of Association of the Company.
4. I declare that I am subscribing for/**receiving** the said Shares **and/or receiving the Equivalent Value in Cash (after deduction of any applicable taxes and less the Aggregate Subscription Cost)** for myself and not as a nominee for any other person.
5. I request the Company to **(i)** allot and issue/**transfer** the Shares in the name of The Central Depository (Pte) Limited (“**CDP**”) for credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof; **and/or (ii) issue a cheque for the Equivalent Value in Cash (after deduction of any applicable taxes and less the Aggregate Subscription Cost) to me or credit my bank account with the aforesaid monies in accordance with the details specified below.**

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities Account No. : _____

OR

*Sub-Account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

***Bank Account No.** : _____

Name of Bank : _____

Signature : _____

Date : _____

Note:

* Delete accordingly

** Not applicable in the event that the Company exercises the option to pay cash in lieu of Shares under Rule 10.2(c)

PROPOSED ALTERATION TO ARTICLE 140 OF THE ARTICLES OF ASSOCIATION

The alteration which is proposed to be made to Article 140 of the Articles is set out below. For ease of reference, the full text of Article 140 which is proposed to be altered has been reproduced and the relevant change made highlighted below.

Existing Article 140

140. A resolution in writing executed by all the Directors other than those absent from Hong Kong or of a committee of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) of that committee, duly convened and held, and may consist of several documents in the like form each executed by one or more Directors, but a resolution executed by an alternate Director need not also be executed by his appointor and, if it is executed by a Director who has appointed an alternate Director, it need not also be executed by an alternate Director in that capacity.

Proposed Alteration to Article 140

By deleting Article 140 in its entirety and substituting therefor the following:

140. A resolution in writing executed by all the Directors ~~other than those absent from Hong Kong or~~ of a committee of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) of that committee, duly convened and held, and may consist of several documents in the like form each executed by one or more Directors, but a resolution executed by an alternate Director need not also be executed by his appointor and, if it is executed by a Director who has appointed an alternate Director, it need not also be executed by an alternate Director in that capacity.

CHEMOIL ENERGY LIMITED

(Company Registration No. 200591)
(Incorporated in Hong Kong)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Chemoil Energy Limited (the "**Company**") will be held at Marina Mandarin Hotel, Vanda Ballroom, Level 5, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Friday, 24 April 2009 at 3:00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2:30 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions which will be proposed at the Extraordinary General Meeting:

RESOLUTION 1: ORDINARY RESOLUTION

THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

That:

- (1) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), for the Company, its subsidiaries and its associated companies which are entities at risk as defined under Chapter 9 of the Listing Manual, to enter into any of the transactions falling within the types of interested person transactions described in Appendix 1 to the Circular to Shareholders dated 1 April 2009 (the "**Circular**"), with any person who falls within the classes of interested persons described in Appendix 1 to the Circular, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders and in accordance with the review procedures for interested person transactions as set out in the Circular (the "**IPT Mandate**");
- (2) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier;
- (3) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of such procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and
- (4) the Directors of the Company and/or any of them be and is/are authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution 1.

RESOLUTION 2: ORDINARY RESOLUTION

THE PROPOSED MODIFICATIONS TO THE 2006 SHARE OPTION SCHEME

That:

- (1) the proposed modifications to the 2006 Share Option Scheme as set out in Appendix 2 to the Circular be and are hereby adopted and approved by the Company;
- (2) the Directors be and are hereby authorised to offer and grant Options in accordance with the provisions of the 2006 Share Option Scheme modified in accordance with paragraph (1) above and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of Options under the modified 2006 Share Option Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of Shares to be issued pursuant to the 2006 Share Option Scheme shall not exceed five per centum (5%) of the issued Shares in the capital of the Company from time to time and that such authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; and
- (3) the Directors of the Company and/or any of them be and is/are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the proposed modifications to the 2006 Share Option Scheme and/or this Ordinary Resolution 2.

RESOLUTION 3: SPECIAL RESOLUTION

THE PROPOSED ALTERATION TO ARTICLE 140 OF THE ARTICLES OF ASSOCIATION

That:

- (1) Article 140 of the Articles of Association of the Company be and is hereby amended in the manner and to the extent as set out in Appendix 3 to the Circular; and
- (2) the Directors of the Company and/or any of them be and is/are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the proposed amendment to Article 140 of the Company's Articles of Association and/or this Special Resolution 3.

BY ORDER OF THE BOARD
TAN SAN-JU
YVONNE YAP
REPRESENTING COMPANY SECRETARY
KARALON LIMITED
SINGAPORE, 1 APRIL 2009

Notes:

1. With the exception of The Central Depository (Pte) Limited (the “**Depository**”) who may appoint more than two proxies, a member of the Company entitled to attend and vote at the above meeting (“**Meeting**”) who is a holder of two or more shares is entitled to appoint not more than two proxies to attend and vote instead of him or her at the Meeting. A proxy need not be a member of the Company.
2. Where an instrument of proxy appoints more than one proxy (including the case where the form of instrument of proxy approved by the Depository is used), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.
3. A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at the Meeting. The person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the registered office of the Company at Suites 4301-5, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong at least 48 hours before the time fixed for holding the Meeting, otherwise the person so named shall not be entitled to vote at the Meeting except with the approval of the Chairman of the Meeting. With regards to a Shareholder being a Depositor whose name appears in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) who wishes to attend and vote at the Meeting, he must be shown to have Shares entered against his name in the Depository Register, as certified by the CDP, at least 48 hours before the time fixed for holding the Meeting. If a Depositor wishes to appoint a proxy/proxies, then the Depository Proxy Form must be deposited at the Company’s Share Transfer Agent’s office in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 3 Church Street, #08-01 Samsung Hub, Singapore 049483, at least 48 hours before the time fixed for holding the Meeting.
5. No instrument appointing a proxy shall be valid except for the Meeting and any adjournment thereof. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the Meeting or at any adjournment of it. Detailed instructions can be found on the Proxy Form(s).

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