Chemoil Energy Limited
Unaudited Financial Information
For the 2nd quarter and half year ended 30th June 2008

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

	GROUP			GROUP		
	Jan – June 2008	Jan – June 2007	% Increase / (Decrease)	Apr – June 2008	Apr – June 2007	% Increase / (Decrease)
Revenue	4,673,463	2,313,492	N/M	2,539,577	1,297,811	96
Other gains/(losses) – net (See Note 1.(a)(ii))	(120,213)	(30,770)	N/M	(113,541)	(17,607)	N/M
Revenue and other gains/(losses) - net	**4,553,250**	**2,282,722**	99	**2,426,036**	**1,280,204**	90
Expenses						
- Inventories recognised as an expense	4,376,605	2,155,156 *	N/M	2,327,829	1,223,714 *	90
- Barging and pipelines costs	32,249	25,162 *	28	16,120	12,325 *	31
- Chartering expenses	19,685	10,510	87	11,068	6,908	60
- Rentals for office premises, storage tanks and motor vehicles	20,992	20,040	5	9,150	8,974	2
- Demurrage costs	16,331	7,862	N/M	2,865	3,826	(25)
- Employee benefits	11,932	9,526	25	6,036	3,826	58
- Marketing and communication expenses	2,909	2,025	44	1,611	1,163	39
- Service and commission expenses	6,464	5,506 *	17	3,106	2,644 *	17
- Other expenses	25,035	13,546 *	85	15,964	7,015 *	N/M
- Depreciation and amortisation	6,387	2,851	N/M	3,457	1,633	N/M
- Finance expense	17,244	10,447	65	8,516	5,799	47
Total expenses	**4,535,833**	**2,262,631**	100	**2,405,722**	**1,277,827**	88
Share of results of associates and joint ventures – net	432	2,526	(83)	322	(2,048)	N/M
Profit before income tax	**17,849**	**22,617**	(21)	**20,636**	**329**	N/M
Income tax credit / (expense)	6,497	(4,147)	N/M	1,387	277	N/M
Profit for the period	**24,346**	**18,470**	**32**	**22,023**	**606**	**N/M**
Attributable to:						
Equity holders of the Company	24,272	18,470	31	21,949	606	N/M
Minority interest	74	-	N/M	74	-	N/M

N/M: not meaningful
*: Comparatives are reclassified to conform to current period's presentation

1 (a)(ii) Notes to the Consolidated Income Statement (in US$'000, unless otherwise stated)

	Group			Group		
	Jan – June 2008	Jan – June 2007	% Increase/ (Decrease)	Apr – June 2008	Apr – June 2007	% Increase / (Decrease)
Other gains/(losses) – net includes the following						
(a) Derivatives financial instruments – net (See note a and b)	(143,656)	(34,044)	N/M	(122,420)	(19,656)	N/M
(b) Insurance claims (See note c)	14,387	-	N/M	-	-	-
The income statement includes the following income / (expenses)						
(a) Interest income	1,280	3,207	(60)	726	1,887	(62)
(b) Foreign exchange gain/(loss) (See note d)	7,799	72	N/M	7,783	(18)	N/M
(c) Gain on disposal of property plant and equipment	580	-	N/M	588	-	N/M
(d) Allowance for doubtful debts	(609)	(1,007)	(40)	(228)	(18)	N/M

N/M: not meaningful

Note:-

a) The Group enters into derivative contracts in the form of swaps and futures in order to mitigate the risk of market price fluctuations in marine fuel. These derivatives are generally used to hedge our physical inventory or an underlying transaction. Gains or losses on these instruments are recognized under "other gains/(losses) net". These gains or losses should not be considered in isolation but in conjunction with the costs of physical inventories shown as "Inventories recognized as expense" in the income statement as they are essentially hedges against price movements on these inventories.

b) The Group incurred net losses of US$ 122 million from its derivative financial instruments during 2Q 2008 as compared to US$ 20 million during 2Q2007. This was due to the steep increase in oil prices in 2Q2008 as compared to 2Q2007. Against these derivative losses, the group recorded physical gains in excess of these losses which are already recognized in the financial statements.

c) It represents claims received against the life insurance of our ex Chief Executive Officer, Mr. Robert Viswanathan Chandran.

d) It comprises of mainly unrealized currency translation gains in a subsidiary, whose functional currency is Singapore dollars.

1 (b) (i) Balance Sheets as at 30th June 2008
(in US$'000, unless otherwise stated)

	Group				Company		
	30-Jun-08	**31-Dec-07**	**% Increase / (Decrease)**		**30-Jun-08**	**31-Dec-07**	**% Increase / (Decrease)**
ASSETS							
Current assets							
Cash and bank balances	85,184	60,109	42		7,516	4,831	56
Derivative financial instruments	11,761	2,965	N/M		128	228	(44)
Other financial assets at fair value through profit or loss	999	1,604	(38)		999	1,604	(38)
Income tax recoverable	814	847	(4)		-	-	-
Other current assets	41,115	54,632	(25)		1,546	472	N/M
Trade and other receivables	1,081,571	458,899	N/M		195,920	156,413	25
Inventories	619,048	384,853	61		-	-	-
	1,840,492	**963,909**			**206,109**	**163,548**	
Non-current assets							
Other non-current assets	4,804	2,657	81		-	-	-
Investments in associates	35,875	46,754	(23)		14,582	25,621	(43)
Investments in joint ventures	10,123	11,129	(9)		10,249	8,331	23
Investments in subsidiaries	-	-	-		51,292	34,742	48
Intangible assets	11,274 *	1,817	N/M		-	-	-
Property, plant and equipment	245,295	194,592	26		20	22	(9)
Deferred income tax assets	7,042	2,053	N/M		-	-	-
	314,413	**259,002**			**76,143**	**68,716**	
Total assets	**2,154,905**	**1,222,911**			**282,252**	**232,264**	
LIABILITIES							
Current liabilities							
Trade and other payables	778,513	307,537	N/M		63,147	44,384	42
Derivative financial instruments	69,806	25,790	N/M		3,396	2,053	65
Current income tax liabilities	1,250	6,283	(80)		-	-	-
Borrowings	823,868	460,750	79		3,491	4,657	(25)
Provisions for other liabilities and charges	6,360	1,639	N/M		-	-	-
	1,679,797	**801,999**			**70,034**	**51,094**	
Non-current liabilities							
Borrowings	186,957	162,809	15		42,328	46,701	(9)
Other payables	1,657	-	N/M		-	-	-
Deferred income tax liabilities	1,481	4,844	(69)		-	-	-
	190,095	**167,653**			**42,328**	**46,701**	
Total liabilities	**1,869,892**	**969,652**			**112,362**	**97,795**	
NET ASSETS	**285,013**	**253,259**			**169,890**	**134,469**	

* Intangible assets include goodwill of US$ 9.44 million on acquisition of a subsidiary during this quarter. The accounting for the goodwill is determined only provisionally and will be finalized before the end of the fiscal year.

1 (b) (i) Balance Sheets (continued)
(in US$'000, unless otherwise stated)

	Group				Company		
	30-Jun-08	**31-Dec-07**	**% Increase / (Decrease)**		**30-Jun-08**	**31-Dec-07**	**% Increase / (Decrease)**
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital	2	2	-		2	2	-
Share premium	85,816	85,816	-		85,816	85,816	-
Merger reserve	3,529	3,529	-		-	-	-
Other reserves	6,168	(240)	N/M		1,257	947	33
Retained earnings	181,962	164,152	11		82,815	47,704	74
	277,477	**253,259**			**169,890**	**134,469**	
Minority interest	7,536	-				-	
Total equity	**285,013**	**253,259**			**169,890**	**134,469**	

1. (b)(ii) Aggregate amount of Group's Borrowings and Debt securities
(in US$'000, unless otherwise stated)

	30-Jun-08		31-Dec-07	
	Secured	**Unsecured**	**Secured**	**Unsecured**
Amount repayable in one year or less, or on demand	810,824	13,044	440,850	19,900
Amount repayable after one year	186,957	-	162,809	-
Total	**997,781**	**13,044**	**603,659**	**19,900**

	30-Jun-08	**31-Dec-07**
Details of any collateral		
Secured on current assets of subsidiaries	242,831	13,297
Secured on property, plant and equipment and lease rentals of subsidiaries	207,890	177,036
Secured against trade receivables under a receivables purchase agreement of a subsidiary (See Note a below)	356,108	286,973
Secured on bank balances and deposits, trade and other receivables and inventories of subsidiaries	190,679	126,244
Secured on motor vehicles of a subsidiary (See Note b below)	273	109
Total	**997,781**	**603,659**

Note: (in US$'000)

a) The gross amount of trade receivables secured under the receivables purchase agreement is US$ 430,790 (2007:US$ 330,812)
b) The carrying amount of motor vehicles pledged as security for borrowings is US$ 318 (2007: US$ 190)

1 (c) Consolidated Cash Flow Statement for half year ended 30th June 2008
(in US$'000, unless otherwise stated)

	GROUP			
	Jan - June 2008	**Jan - June 2007**	**Apr – June 2008**	**Apr – June 2007**
Cash flows from operating activities				
Profit for the year	24,346	18,470	22,023	606
Adjustments for:				
Income tax expense	(6,497)	4,147	(1,387)	(277)
Share option expenses	310	430	155	215
Depreciation and amortisation	6,387	2,851	3,457	1,633
Net gain on disposal of property, plant and equipment	(580)	-	(588)	-
Fair value losses / (gains) on other financial assets at fair value through profit or loss	604	(5)	219	(190)
Share of results of associates and joint ventures	(432)	(2,526)	(322)	2,048
Unrealised translation (gains) / losses	(7,243)	-	(7,243)	-
Interest income	(1,280)	(3,207)	(726)	(1,887)
Finance expense	17,244	10,447	8,516	5,799
	32,859	**30,607**	**24,104**	**7,947**
Changes in working capital, net of effects of acquisitions of subsidiaries				
Derivative financial instruments	35,078	14,363	36,830	(16,973)
Other assets	15,566	(34,845)	1,094	(48,630)
Trade and other receivables	(608,529)	(77,466)	(332,467)	(46,057)
Inventories	(234,188)	(113,338)	(197,700)	(69,410)
Trade and other payables	455,320	127,982	215,800	82,596
Provisions for other liabilities and charges	3,310	(711)	4,240	(101)
Cash used in operations	(300,584)	(53,408)	(248,099)	(90,628)
Income tax paid	(7,035)	(4,485)	(1,770)	(3,887)
Net cash used in operating activities	**(307,619)**	**(57,893)**	**(249,869)**	**(94,515)**
Cash flows from investing activities				
Purchases of property, plant & equipment	(27,740)	(44,541)	(7,280)	(3,799)
Proceds from disposal of property, plant & equipment	8,969	-	8,969	-
Investment in joint ventures	(1,919)	(7,835)	(903)	(201)
Acquisition of a subsidiary, net of cash received	6,776	(8,427)	6,794	(8,427)
Acquisition of associates	(199)	-	(199)	-
Interest received	1,280	3,207	726	1,887
Dividends received from associates	1,313	585	626	-
Dividends received from joint ventures	146	-	146	-
Net cash (used in) / generated from investing activities	**(11,374)**	**(57,011)**	**8,879**	**(10,540)**
Cash flows from financing activities				
Proceeds from borrowings	426,853	140,370	270,663	97,342
Repayments of borrowings	(83,126)	(26,839)	(5,099)	(1,534)
Interest paid	(17,244)	(10,447)	(8,516)	(5,799)
Bank balances and deposits pledged with banks for loans	(3,915)	7,043	(2,575)	186
Dividends paid to shareholders	(6,462)	(12,926)	(6,462)	(12,926)
Net cash generated from financing activities	**316,106**	**97,201**	**248,011**	**77,269**
Net (decrease) / increase in cash and cash equivalents	(2,887)	(17,703)	7,021	(27,786)
Cash and cash equivalents at beginning of year	(30,200)	17,365	(40,108)	27,448
Cash and bank balances at end of financial period	**(33,087)**	**(338)**	**(33,087)**	**(338)**
Cash and cash equivalents comprise:				
Cash and bank balances	85,184	44,946	85,184	44,946
Bank balances and deposits pledged with banks for bank loans	(11,039)	(3,462)	(11,039)	(3,462)
Bank overdrafts	(107,232)	(41,822)	(107,232)	(41,822)
Total	**(33,087)**	**(338)**	**(33,087)**	**(338)**

1.(d)(i) Statements of Changes in Equity for half year ended 30th June 2008 (in US $'000, unless otherwise stated)

GROUP	Attributable to equity holders of the Company					Minority interest	Total Equity
HALF YEAR	**Share capital**	**Merger reserve**	**Share premium**	**Other reserves**	**Retained earnings**		
Balance at 1 January 2008	2	3,529	85,816	(240)	164,152	-	253,259
Currency translation differences recognised directly in equity	-	-	-	6,240	-	44	6,284
Profit for the period	-	-	-	-	24,272	74	24,346
Total recognised income and expense for the period	-	-	-	6,240	24,272	118	30,630
Dividend relating to 2007	-	-	-	-	(6,462)	-	(6,462)
Acquisition of subsidiaries	-	-	-	-	-	7,418	7,418
Employee share option scheme:							
Value of services rendered	-	-	-	310	-	-	310
Cash flow hedges	-	-	-	(142)	-	-	(142)
Balance at 30th June 2008	2	3,529	85,816	6,168	181,962	7,536	285,013
Balance at 1 January 2007	2	3,529	85,816	222	146,747	-	236,316
Currency translation differences recognised directly in equity	-	-	-	114	-	-	114
Profit for the period	-	-	-	-	18,470	-	18,470
Total recognised income and expense for the period	-	-	-	114	18,470	-	18,584
Dividend relating to 2006	-	-	-	-	(12,926)	-	(12,926)
Employee share option scheme:							
Value of services rendered	-	-	-	430	-	-	430
Balance as at 30th June 2007	2	3,529	85,816	766	152,291	-	242,404

1. (d)(i) Statements of Changes in Equity (continued)
(in US $'000, unless otherwise stated)

GROUP	Attributable to equity holders of the Company					Minority interest	Total Equity
2ND QUARTER	**Share capital**	**Merger reserve**	**Share premium**	**Other reserves**	**Retained earnings**		
Balance at 1st April 2008	2	3,529	85,816	(2,617)	166,475	-	253,205
Currency translation differences recognised directly in equity	-	-	-	6,690	-	44	6,734
Profit for the period	-	-	-	-	21,949	74	22,023
Total recognised income and expense for the period	-	-	-	6,690	21,949	118	28,757
Dividend relating to 2007	-	-	-	-	(6,462)	-	(6,462)
Acquisition of subsidiaries	-	-	-	-	-	7,418	7,418
Employee share option scheme:							
Value of services rendered	-	-	-	155	-	-	155
Cash flow hedges	-	-	-	1,940	-	-	1,940
Balance at 30th June 2008	2	3,529	85,816	6,168	181,962	7,536	285,013
Balance at 1st April 2007	2	3,529	85,816	464	164,611	-	254,422
Currency translation differences recognised directly in equity	-	-	-	87	-	-	87
Profit for the period	-	-	-	-	606	-	606
Total recognised income and expense for the period	-	-	-	87	606	-	693
Dividend relating to 2006	-	-	-	-	(12,926)	-	(12,926)
Employee share option scheme:							
Value of services rendered	-	-	-	215	-	-	215
Balance as at 30th June 2007	2	3,529	85,816	766	152,291	-	242,404

1.(d)(i) Statements of Changes in Equity (continued)
(in US $'000, unless otherwise stated)

COMPANY	Attributable to equity holders of the Company				Total Equity
HALF YEAR	**Share capital**	**Share premium**	**Other reserves**	**Retained earnings**	
Balance at 1 January 2008	2	85,816	947	47,704	134,469
Profit for the period	-	-	-	41,573	41,573
Total recognised income and expense for the period	-	-	-	41,573	41,573
Dividend relating to 2007	-	-	-	(6,462)	(6,462)
Employee share option scheme:					
Value of services rendered	-	-	310	-	310
Balance at 30th June 2008	2	85,816	1,257	82,815	169,890
Balance at 1 January 2007	2	85,816	41	23,009	108,868
Profit for the period	-	-	-	36,465	36,465
Total recognised income and expense for the period	-	-	-	36,465	36,465
Dividend relating to 2006	-	-	-	(12,926)	(12,926)
Employee share option scheme:					
Value of services rendered	-	-	428	-	428
Balance as at 30th June 2007	2	85,816	469	46,548	132,835

1 (d)(i) Statements of Changes in Equity (continued)
(in US $'000, unless otherwise stated)

COMPANY 2ND QUARTER	Attributable to equity holders of the Company				Total Equity
	Share capital	Share premium	Other reserves	Retained earnings	
Balance at 1st April 2008	2	85,816	1,102	51,441	138,361
Profit for the period	-	-	-	37,836	37,836
Total recognised income and expense for the period	-	-	-	37,836	37,836
Dividend relating to 2007	-	-	-	(6,462)	(6,462)
Employee share option scheme:					
Value of services rendered	-	-	155	-	155
Balance at 30th June 2008	2	85,816	1,257	82,815	169,890
Balance at 1st April 2007	2	85,816	255	21,586	107,659
Profit for the period	-	-	-	37,888	37,888
Total recognised income and expense for the period	-	-	-	37,888	37,888
Dividend relating to 2006	-	-	-	(12,926)	(12,926)
Employee share option scheme:	-	-	-	-	-
Value of services rendered	-	-	214	-	214
Balance as at 30th June 2007	2	85,816	469	46,548	132,835

1 (d) (ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial year reported on and as at the end of the immediately preceding financial year.

Nil

1 (d) (iii) Total number of issued shares excluding treasury shares

As at the end of the current financial period -1,292,612,000 shares
And as at the end of the immediately preceding year -1,292,612,000 shares

1 (d) (iv) Statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The financial information has not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied.

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial information for the current reporting period compared with the last audited financial statements as at 31 December 2007.

5. If there are any changes in the accounting policies and methods of computation, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted the following amendments and interpretations to the International Financial Reporting Standards, which are relevant to its operations.

- IFRIC 11, IFRS 2 – Group and Treasury Share Transactions (effective from 1 March 2007)
- IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008).
- IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008).

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

6. Earning per Ordinary Share

Group	Jan - June 2008	Jan - June 2007	Apr - June 2008	Apr - June 2007
(a) Based on weighted average number of ordinary shares on issue (US cents per share)	1.878	1.429	1.698	0.047
(b) On fully diluted basis (US cents per share)	1.868	1.417	1.689	0.046

7. Net Asset Value

	Group		Company	
	30-Jun-08	31-Dec-07	30-Jun-08	31-Dec-07
Net asset value per ordinary share based on issued share capital (US cents per share)	21.47	19.59	13.14	10.40

8. Review of Performance of the Group

1st Half ended June 30, 2008 (1H 2008) compared to the 1st Half ended June 30, 2007 (1H 2007)
2nd Quarter ended June 30, 2008 (2Q 2008) compared to the 2nd Quarter ended June 30, 2007 (2Q 2007)

	Jan - June 2008	Jan - June 2007	% Increase/ (Decrease)	Apr - June 2008	Apr - June 2007	% Increase/ (Decrease)
Volume - Mts million	8.7	7.3	19.1	4.3	3.8	15.2
Average Sales Value per MT - US$	530.05	312.03	69.9	581.94	341.34	70.5
Average Purchase Cost per MT US$ (note a)	517.62	298.76	73.3	565.07	330.84	70.8
Gross Contribution - US$ million (note b)	56.1	54.2	3.5	45.6	18.7	143.6
Gross Contribution per MT - US$	6.42	7.39	(13.1)	10.52	4.98	111.5
Revenue - US$ million	4,673.5	2,313.5	102.0	2,539.6	1,297.8	95.7
Profit before Tax - US$ million	17.8	22.6	(21.1)	20.6	0.3	N/M
Profit After tax US$ mill	24.3	18.5	31.8	22.0	0.6	N/M
Earnings per Share						
- Basic US cents per share	1.88	1.43	31.4	1.70	0.05	N/M
- Diluted US cents per share	1.87	1.42	31.8	1.69	0.05	N/M

MT = Metric ton

Note:

a) Average purchase cost includes the gains or losses on commodity swaps and futures.

b) Gross contribution is calculated as petroleum related revenue minus derivative financial instruments (gains)/losses net, inventories recognized as an expense, barging and pipeline costs, chartering expenses, rentals on operating leases, demurrage costs and service and commission expenses.

Consolidated Income Statement

Chemoil achieved revenue growth of 95.7% from US$ 1.30 billion in the 2nd quarter 2007 (“2Q2007”) to US$ 2.54 billion in 2nd quarter 2008 (“2Q2008”). For the 1st half of 2008 (“1H2008”), the Group’s revenue growth was 102%, rising from US$ 2.31 billion in the 1st half FY2007 (“1H2007”) to US$ 4.67billion.

2nd Quarter

The growth in volume was 15.2% from 3.8 million metric tons in 2007 to 4.3 million metric tons in 2008 mainly driven by cargo sales in Americas and Singapore as we were able to leverage our sourcing efficiencies to exploit cargo opportunities in these locations. Our Middle East operations also commenced during the quarter delivering healthy retail sales.

Average sales value during the quarter increased to US$ 581.94 per metric ton in 2008 from US$ 341.34 in 2007 whereas average purchase costs increased from US$ 330.84 in 2007 to US$ 565.07 in 2008.

1st Half

In 2008, the Group achieved growth in sales volumes of 19.1% with an increase of 1.4 million metric tons as compared to 2007. The increase was driven by cargo sales in Americas and Singapore and retail sales in Middle East.

Oil prices were sharply higher in 2008 compared to 2007 which lead to an increase in our average sales value in 2008 by 69.9 % at US$ 530.05 per metric ton compared to US$ 312.03 per metric ton in 2007. Purchase costs also showed a corresponding increase of 73.3% during the period from US$ 298.76 per metric ton in 2007 to US$ 517.62 in 2008.

Gross Contribution and Gross Contribution per Metric ton (GCMT)

Gross Contribution

2nd Quarter

Gross contribution increased by US$ 26.9 million, 143.6% from US$ 18.7 in 2007 to US$ 45.6 in 2008. Please refer to explanation in GCMT for the 2nd quarter below.

1st Half

Gross contribution increased by US$ 2 million, 3.5% from US$ 54.2 million in 2007 to US$ 56.1 million in 2008. Please refer to explanation in GCMT for the 1st half below:

Gross Contribution per Metric ton (GCMT)

2nd Quarter

GCMT increased by 111.5% from US$ 4.98 in 2007 to US$ 10.52 in 2008.

The increase in GCMT was driven by increased volumes and realizations in key markets of Singapore and Americas. Sourcing efficiencies enabled us to increase margins.

As announced in 2nd quarter 2007, the margins for the quarter were adversely affected by the operational and locational problems of the floating storage facilities in Singapore.

1st Half

GCMT decreased by 13.1% from US$ 7.39 per metric ton in 2007 to US$ 6.42 per metric ton in 2008. This was primarily caused by several issues in the 1st quarter of 2008 such as a market glut in the western USA, demurrage expenses, intense price volatility and lack of correlation between hedges and underlying physical inventory. These issues did not persist in the 2nd quarter and the Group had a better correlation between hedges and underlying physical inventory. The Group's demurrage costs were also substantially lower in the second quarter of 2008 compared to the 1st quarter of 2008.

Gross contribution includes several expense heads such as barging and pipeline costs, chartering expenses, demurrage, rentals on operating leases, etc. The reasons for significant variances between 2Q2008 and 2Q2007 in these and other expense heads are explained below

Barging and pipeline costs:

2nd Quarter

Barging and pipeline costs increased by US$ 3.8 million or 30.8%. Additional barges deployed in the Gulf of Mexico and Rotterdam resulted in an increase of US$ 2.2 million. The costs also increased because of rate increases in Panama and the additional volumes sold.

Barging and pipeline costs (continued):

1st Half

Barging and pipeline costs increased by US$ 7.1 million or 28.2%. The reasons for the increase are essentially the same as that for the 2nd quarter.

Chartering and vessel operating expenses:

2nd Quarter

Chartering expenses increased by US$ 4.2 million or 60.2% compared to the 2nd quarter of 2007. The Group utilized 3 owned barges in the Middle East during the current quarter which increased the costs by US$ 1.5 million. Furthermore, as compared to 2007, the Group had additional vessels deployed in external charters which explain the additional costs.

1st Half

Chartering expenses increased by US$ 9.2 million or 87.3%. The reasons for the increase are the deployment of additional vessels in external charters as compared to 2007 and the utilization of 3 owned barges for deliveries in the Middle East.

Demurrage costs:

1st Half

Demurrage cost increased by US$ 8.5 million or 107.7%. Berth congestion in several ports in Americas during the 1st quarter of 2008 was the main reason for the increase.

Employee benefits

2nd Quarter

Employee benefits expenses increased by US$ 2.2 million or 57.8% substantially due to acquisition of a subsidiary towards the end of 2nd quarter. Further increases were due to addition of several new entities which were consolidated since the second half of 2007.

1st Half

Employee benefits expenses increased by US$ 2.4 million or 25.3% due to addition of several new entities which were acquired and consolidated since the second half of 2007

Other expenses:

2nd Quarter

Other expenses increased by US$ 9 million or 127.6%. We have made provisions for claims of US$ 4.5 million in the 2nd quarter results. The increase in volumes and prices of fuel oil has led to an increase in costs of insurance, surveyors, analysis costs and letter of credit charges etc. These costs have also risen because several new entities have been added to the Group in 2008 as compared to 2007.

1st Half

Other expenses increased by US$ 11.5 million or 84.8% essentially due to the reasons mentioned in the 2nd quarter.

Depreciation and amortization

2nd Quarter

Depreciation and amortization expenses increased by US$ 1.8 million or 111.7% due to the additional depreciation on newly acquired vessels and terminals since 2007.

1st Half

Depreciation and amortization expenses increased by US$ 3.5 million or 124.1% due to the same reasons given for the 2nd quarter.

Finance Costs

2nd Quarter

Finance costs increased by US$ 2.7 million or 46.9% mainly due to increased level of borrowings as a result of increase in oil prices and partly due to the increased long term borrowings deployed for acquiring additional assets since the second half of 2007.

1st Half

Finance costs increased by US$ 6.8 million or 65.1% due to the same reasons as mentioned in 2nd quarter.

Share of associates' and joint ventures' results - net

2nd Quarter

The Group's share of losses from associates and joint ventures decreased by US$ 2.4 million.

As compared to 2007, losses of a joint venture company were lower by US$ 0.7 million. However, one of the Group's associates performed well as compared to 2007 and their contribution increased by US$ 1.6 million.

Share of associates' and joint ventures' results - net

1st Half

The Group's share from profits of associates and joint ventures decreased by US$ 2.1 million. One of the Group's joint ventures' contributions was lower by US$ 3.4 million as compared to 2007 compensated by increased profits in Group's associate companies by US$ 1.6 million.

Income tax credit / (expense)

2nd Quarter

The Group's income tax credits increased by US$ 1.1 million as compared to 2007 due to losses incurred in various tax jurisdictions.

1st Half

Compared to a tax charge of US$ 4.1 million in 2007, the Group has a tax credit of US$ 6.5 million in 2008 as a result of non-taxable incomes and losses incurred in various tax jurisdictions.

Profits after tax

2nd Quarter

Profit after tax increased to US$ 22 million in 2008 from US$ 0.6 million in 2007.

1st Half

Profit after tax increased by 31.8% to US$ 24.3 million in 2008 from US$ 18.5 million in 2007.

Consolidated Balance Sheet

The Group's total assets increased by 76.2 % from US$ 1.22 billion as at end December 2007 to US$ 2.15 billion as at end June 2008. The increase can be attributed to the Group's current assets which increased as a result of higher volumes and higher oil prices in 1st half 2008.

The Group's receivables (no. of days of debtors) increased to 41.7 days as of end June 2008 compared to 30.8 days as of end December 2007. The increase in number of days is due to the higher prices prevailing as at end June 2008.

Inventory (no. of days of stock) decreased to 25.5 days compared to 27.6 days as of end December 2007. Trade payables (no. of days of payables) increased to 31.3 days compared to 21.4 days as of end December 2007. The increase in trade payables is commensurate with the increase in trade receivables.

The other current assets reduced by US$ 13.5 million due to subsequent capitalization of the advances paid for the purchase of property in Chennai, India and due to reduction in the advances made to suppliers of marine fuel.

Investments in property plant and equipment increased to US$ 245.3 million in June 2008 from US$ 194.6 million as of end December 2007 mainly due to assets acquired upon the consolidation of a subsidiary, acquisition of property in Chennai, India and additional capital expenses on our vessels and terminals.

Borrowings increased to US$ 1,010.8 million as at end June 2008 compared to US$ 623.6 million as at end December 2007 (Refer to Note 1 (b) (ii)). The net debt to equity ratio increased to 355% in June compared to 246 % as at end December 2007 whereas the net long term debt to equity ratio increased to 66% as at end June 2008 compared to 64% as at end December 2007.

Working capital was US$ 160.7 million as at end June 2008 against US$ 161.9 million at end December 2007 and shareholders' funds increased to US$ 277.5 million as at end June 2008 compared to US$ 253.3 million as at end December 2007.

Consolidated Cash Flow Statement

As of June'08 the Group's net cash used in operating activities was US$ 307.62 million compared to US$ 57.9 million as at end June'07. This was driven by increased receivables and inventory as a consequence of the spike in oil prices and increased volumes during the 2nd quarter of 2008.

As of June'08 the Group's net cash used in investing activities was US$ 11.37 million compared to US$ 57 million as at end June'07due to reduced expenditure on property, plant and equipment during the current period.

The Group's net cash generated from financing activities was US$ 316.12 million as compared to US$ 97.2 million as at end June'07 due to increase in oil prices which has been supported by additional short-term credit facilities extended to the Group by various lenders. The Group has sufficient credit facilities at its disposal to fund its trading and business activities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Not applicable

11. If a decision regarding dividend has been made

a) Whether an interim (final) ordinary dividend has been declared (recommended); and

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

b) (i) Amount per share / rate %

Not applicable

b) (ii) Previous corresponding period /rate %

Not applicable.

c) Whether the dividend amount is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

d) The date when the dividend is payable

Not applicable

e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable

12. If no dividend has been declared (recommended), a statement to that effect

Not applicable

13. Interested person transactions.

During the quarter ended 30th June 2008, the following interested person transactions were entered into by the Group,

Name of interested person	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions of value less than S$ 100,000 and transactions entered into pursuant to the IPT mandate)	Aggregate value of all interested person transactions entered into under the IPT mandate during the financial year under review (excluding transactions of value less than S$ 100,000)
	Apr - Jun 2008– (US$' 000)	Apr - Jun 2008– (US$' 000)
Itochu Corporation, Japan	-	29,126
Itochu Petroleum Company Singapore Ltd	-	200
Pebble Beach Shipping	1,211	-
Baron Shipping Corporation	855	-
Andorra Service Limited Hong Kong	111	-
Total	**2,177**	**29,326**

14. Confirmation of the Board

We refer to the requirement under Rule 705(4) of the Listing Manual.

We hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 2nd quarter ended 30th June 2008 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Clyde Michael Bandy
Chairman and Chief Executive Officer

Michael Lim Choo San
Lead Independent Director &
Chairman of Audit Committee

Footnote:The initial public offering of the Company's shares was sponsored by J.P. Morgan (S.E.A.) Limited and UBS AG, acting through its business group, UBS Investment Bank.