



**Chemoil Energy Limited**  
**Unaudited Financial Information for the 2<sup>nd</sup> quarter and half year ended 30<sup>th</sup> June 2009**

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

	GROUP			GROUP		
	Jan – Jun 2009	Jan – Jun 2008	% Increase/ (Decrease)	Apr – Jun 2009	Apr – Jun 2008	% Increase/ (Decrease)
Revenue	2,275,300	4,673,463	(51)	1,293,755	2,539,577	(49)
Other gains/(losses) – net	(103,047)	(120,213)	(14)	(81,740)	(113,541)	(28)
<b>Revenue and other gains/(losses) – net</b>	<b>2,172,253</b>	<b>4,553,250</b>	<b>(52)</b>	<b>1,212,015</b>	<b>2,426,036</b>	<b>(50)</b>
<b>Expenses</b>						
- Inventories recognized as an expense	1,993,629	4,376,605	(54)	1,117,025	2,327,829	(52)
- Barging and pipelines costs	31,202	32,249	(3)	16,154	16,120	-
- Chartering and other shipping related expenses	12,254	19,685	(38)	6,751	11,068	(39)
- Rentals for office premises, storage tanks and motor vehicles	17,965	20,992	(14)	8,795	9,150	(4)
- Demurrage costs	6,494	16,331	(60)	2,621	2,865	(9)
- Employee benefits	25,412	11,932	N/M	13,013	6,036	N/M
- Marketing and communication expenses	3,538	2,909	21	1,572	1,611	(2)
- Service and commission expenses	7,176	6,464	11	3,313	3,106	7
- Other expenses	31,123	25,035	24	17,090	15,964	7
- Depreciation and amortization	10,451	6,387	64	5,347	3,457	55
- Finance expense	9,758	17,244	(43)	5,021	8,516	(41)
<b>Total expenses</b>	<b>2,149,002</b>	<b>4,535,833</b>	<b>(53)</b>	<b>1,196,702</b>	<b>2,405,722</b>	<b>(50)</b>
Share of results of associates and joint ventures - net	5,982	432	N/M	2,480	322	N/M
<b>Profit before income tax</b>	<b>29,233</b>	<b>17,849</b>	<b>64</b>	<b>17,793</b>	<b>20,636</b>	<b>(14)</b>
Income tax credit / (expense)*	(9,601)	6,497	N/M	(6,113)	1,387	N/M
<b>Profit for the period</b>	<b>19,632</b>	<b>24,346</b>	<b>(19)</b>	<b>11,680</b>	<b>22,023</b>	<b>(47)</b>
<b>Attributable to:</b>						
Equity holders of the Company	21,076	24,272	(13)	12,231	21,949	(44)
Minority interest	(1,444)	74	N/M	(551)	74	N/M
	<b>19,632</b>	<b>24,346</b>	<b>(19)</b>	<b>11,680</b>	<b>22,023</b>	<b>(47)</b>

N/M = Not meaningful

\* = Please refer to note on Page # 15

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

	GROUP			GROUP		
	Jan – Jun 2009	Jan – Jun 2008	% Increase/ (Decrease)	Apr – Jun 2009	Apr – Jun 2008	% Increase/ (Decrease)
<b>Profit for the period</b>	<b>19,632</b>	<b>24,346</b>	<b>(19)</b>	<b>11,680</b>	<b>22,023</b>	<b>(47)</b>
<b>Other comprehensive income:</b>						
<b>Income/expenses recognised directly in equity</b>						
Cash flow hedges	3,122	(142)	N/M	2,266	1,940	17
Currency translation differences	(1,062)	6,284	N/M	6,378	6,734	(5)
<b>Other comprehensive income for the period</b>	<b>2,060</b>	<b>6,142</b>	<b>(66)</b>	<b>8,644</b>	<b>8,674</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>21,692</b>	<b>30,488</b>	<b>(29)</b>	<b>20,324</b>	<b>30,697</b>	<b>(34)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	23,116	30,370	(24)	20,844	30,579	(32)
Minority interest	(1,424)	118	N/M	(520)	118	N/M
	<b>21,692</b>	<b>30,488</b>	<b>(29)</b>	<b>20,324</b>	<b>30,697</b>	<b>(34)</b>

N/M = Not meaningful

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

	GROUP			GROUP		
	Jan – Jun 2009	Jan – Jun 2008	% Increase/ (Decrease)	Apr - Jun 2009	Apr – Jun 2008	% Increase/ (Decrease)
<u>Other gains/(losses) – net includes the following:</u>						
(a) Derivatives financial instruments – net (See note a and b)	(103,821)	(143,656)	(28)	(81,941)	(122,420)	(33)
(b) Insurance claims (See note c)	-	14,388	N/M	-	-	-
(c) Fair value gains / (losses) on other financial assets at fair value through profit or loss	188	(605)	N/M	330	(219)	N/M
<u>The income statement includes the following income / expenses</u>						
(a) Interest income	352	1,280	(73)	143	726	(80)
(b) Foreign exchange gain/(loss)	(244)	7,799	N/M	(575)	7,783	N/M
(c) Gain/(loss) on disposal of property plant and equipment	(37)	580	N/M	-	588	N/M
(d) Allowance for doubtful debts	(2,783)	(609)	N/M	(1,293)	(228)	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\$ 81.9 million from its derivative financial instruments during 2Q 2009 as compared to US\$ 122.4 million during 2Q 2008. Against these hedging losses, the Group recorded margins on fuel sales which are already recognized in the financial statements.
- c) It represents claims received against the life insurance of our late Chief Executive Officer, Mr. Robert Viswanathan Chandran.

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

	Group			Company		
	30-Jun-09	31-Dec-08	% Increase/ (Decrease)	30-Jun-09	31-Dec-08	% Increase/ (Decrease)
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	58,609	77,521	(24)	1,429	8,052	(82)
Derivative financial instruments	5,503	41,934	(87)	-	-	-
Other financial assets at fair value through profit or loss	855	668	28	855	668	28
Income tax recoverable	-	669	N/M	-	-	-
Other current assets	23,717	25,295	(6)	112	1,444	(92)
Trade and other receivables	482,668	248,899	94	264,837	238,761	11
Inventories	366,846	122,913	N/M	-	-	-
	<b>938,198</b>	<b>517,899</b>	<b>81</b>	<b>267,233</b>	<b>248,925</b>	<b>7</b>
<b>Non-current assets</b>						
Other non-current assets	3,963	2,700	47	1,000	-	-
Investments in associates	42,315	38,611	10	14,691	14,691	-
Investments in joint ventures	24,460	17,571	39	16,462	11,462	44
Investments in subsidiaries	-	-	-	51,292	51,292	-
Intangible assets	18,270	16,576	10	-	-	-
Property, plant and equipment	230,997	233,048	(1)	1,513	18	N/M
Deferred income tax assets	7,651	13,261	(42)	-	-	-
	<b>327,656</b>	<b>321,767</b>	<b>2</b>	<b>84,958</b>	<b>77,463</b>	<b>10</b>
<b>Total assets</b>	<b>1,265,854</b>	<b>839,666</b>	<b>51</b>	<b>352,191</b>	<b>326,388</b>	<b>8</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	332,776	208,566	60	77,257	36,732	N/M
Derivative financial instruments	38,354	11,278	N/M	4,023	4,793	(16)
Current income tax liabilities	2,172	2,121	2	-	-	-
Borrowings	401,541	126,350	N/M	80,207	80,208	-
Provisions for other liabilities and charges	3,309	3,579	(8)	-	-	-
	<b>778,152</b>	<b>351,894</b>	<b>N/M</b>	<b>161,487</b>	<b>121,733</b>	<b>33</b>
<b>Non-current liabilities</b>						
Borrowings	175,281	187,695	(7)	38,619	40,366	(4)
Derivative financial instruments	3,901	6,212	(37)	3,397	5,418	(37)
Deferred income tax liabilities	3,059	2,587	18	-	-	-
	<b>182,241</b>	<b>196,494</b>	<b>(7)</b>	<b>42,016</b>	<b>45,784</b>	<b>(8)</b>
<b>Total liabilities</b>	<b>960,393</b>	<b>548,388</b>	<b>75</b>	<b>203,503</b>	<b>167,517</b>	<b>21</b>
<b>NET ASSETS</b>	<b>305,461</b>	<b>291,278</b>	<b>5</b>	<b>148,688</b>	<b>158,871</b>	<b>(6)</b>
<b>EQUITY</b>						
<b>Capital &amp; reserves attributable to owners of the Company</b>						
Share capital	2	2	-	2	2	-
Share premium	85,816	85,816	-	85,816	85,816	-
Treasury shares	(1,282)	-	N/M	-	-	-
Merger reserve	3,529	3,529	-	-	-	-
Other reserves	(6,449)	(8,725)	(26)	135	1,574	(91)
Retained earnings	219,372	204,759	7	62,735	71,479	(12)
	<b>300,988</b>	<b>285,381</b>	<b>5</b>	<b>148,688</b>	<b>158,871</b>	<b>(6)</b>
Minority interest	4,473	5,897	(24)	-	-	-
<b>Total equity</b>	<b>305,461</b>	<b>291,278</b>	<b>5</b>	<b>148,688</b>	<b>158,871</b>	<b>(6)</b>

N/M = Not meaningful

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

	30-Jun-09		31-Dec-08	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	399,994	1,547	122,265	4,085
Amount repayable after one year	175,210	71	187,607	88
Total	575,204	1,618	309,872	4,173

Details of any collateral	30-Jun-09	31-Dec-08
Secured on current assets of subsidiaries	196,343	21,509
Secured against trade receivables under a receivables purchase agreement of a subsidiary (See Note a below)	179,500	77,962
Secured on property, plant and equipment and lease rentals of subsidiaries	199,178	210,172
Secured on other property, plant and equipment of a subsidiary (See Note b below)	183	229
Total	575,204	309,872

**Note:**

- a) The gross amount of trade receivables secured under the receivables purchase agreement is US\$ 205,797 (2008:US\$ 126,199)
- b) The carrying amount of motor vehicles pledged as security for borrowings is US\$ 169 (2008: US\$ 211)

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

	GROUP		GROUP	
	Jan – Jun 09	Jan – Jun 08	Apr – Jun 09	Apr – Jun 08
<b>Cash flows from operating activities</b>				
Profit for the period	19,632	24,346	11,680	22,023
Adjustments for:				
Income tax expense	9,601	(6,497)	6,113	(1,387)
Share option expense	236	310	118	155
Depreciation and amortization	10,414	6,387	5,310	3,457
Net loss/(gain) on disposals of property, plant and equipment	37	(580)	-	(588)
Fair value (gains)/losses on other financial assets at fair value through profit or loss	(188)	604	(330)	219
Unrealized translation (gains) / losses	(2,322)	(7,243)	(2,933)	(7,243)
Share of results of associates and joint ventures	(5,982)	(432)	(2,480)	(322)
Interest income	(352)	(1,280)	(143)	(726)
Finance expense	9,758	17,244	5,021	8,516
	<b>40,834</b>	<b>32,859</b>	<b>22,356</b>	<b>24,104</b>
Changes in working capital, net of effects of acquisitions and disposals of subsidiaries				
Derivative financial instruments	64,319	35,078	26,671	36,830
Other assets	190	15,566	11,247	1,094
Trade and other receivables	(233,769)	(608,529)	(67,261)	(332,467)
Inventories	(243,933)	(234,188)	(186,292)	(197,700)
Trade and other payables	120,563	455,320	97,378	215,800
Provisions for other liabilities and charges	(270)	3,310	415	4,240
<b>Cash used in operations</b>	<b>(252,066)</b>	<b>(300,584)</b>	<b>(95,486)</b>	<b>(248,099)</b>
Income tax paid	(2,800)	(7,035)	(2,764)	(1,770)
<b>Net cash used in operating activities</b>	<b>(254,866)</b>	<b>(307,619)</b>	<b>(98,250)</b>	<b>(249,869)</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(4,388)	(27,740)	(2,642)	(7,280)
Proceeds from disposal of property, plant and equipment	109	8,969	61	8,969
Purchase of intangibles	(394)	-	(201)	-
Investment in joint ventures	(5,000)	(1,919)	-	(903)
Acquisition of a subsidiary, net of cash received	-	6,776	-	6,794
Acquisition of associates	-	(199)	-	(199)
Interest received	352	1,280	143	726
Dividends received from associates	-	1,313	-	626
Dividends received from joint ventures	-	146	-	146
<b>Net cash (used in) / generated from investing activities</b>	<b>(9,321)</b>	<b>(11,374)</b>	<b>(2,639)</b>	<b>8,879</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	289,972	426,853	145,377	270,663
Repayments of borrowings	(34,570)	(83,126)	(26,547)	(5,099)
Purchase of treasury shares	(1,282)	-	(119)	-
Interest paid	(9,758)	(17,244)	(5,021)	(8,516)
Bank balances and deposits pledged with banks for bank loans	(1,557)	(3,915)	(3,664)	(2,575)
Dividends paid to shareholders	(6,463)	(6,462)	(6,463)	(6,462)
<b>Net cash generated from financing activities</b>	<b>236,342</b>	<b>316,106</b>	<b>103,563</b>	<b>248,011</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(27,845)</b>	<b>(2,887)</b>	<b>2,674</b>	<b>7,021</b>
Cash and cash equivalents at beginning of financial period	49,619	(30,200)	19,100	(40,108)
<b>Cash and cash equivalents at end of financial period</b>	<b>21,774</b>	<b>(33,087)</b>	<b>21,774</b>	<b>(33,087)</b>
<b>Cash and cash equivalents:</b>				
Cash and bank balances	58,609	85,184	58,609	85,184
Bank balances and deposits pledged with banks for bank loans	(11,719)	(11,039)	(11,719)	(11,039)
Bank overdrafts	(25,116)	(107,232)	(25,116)	(107,232)
<b>Total</b>	<b>21,774</b>	<b>(33,087)</b>	<b>21,774</b>	<b>(33,087)</b>

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

<b>GROUP</b>	<b>Share capital</b>	<b>Treasury shares held by Trust<sup>1</sup></b>	<b>Merger reserve</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Minority interests</b>	<b>Total equity</b>
<b>HALF YEAR</b>									
<b>Balance as at 1 January 2009</b>	2	-	3,529	85,816	(8,725)	204,759	285,381	5,897	291,278
Purchase of treasury shares	-	(1,282)	-	-	-	-	(1,282)	-	(1,282)
Employee share option scheme: Value of services rendered	-	-	-	-	236	-	236	-	236
Dividend relating to 2008	-	-	-	-	-	(6,463)	(6,463)	-	(6,463)
Total comprehensive income/ (expense) for the period	-	-	-	-	2,040	21,076	23,116	(1,424)	21,692
<b>Balance as at 30 June 2009</b>	<b>2</b>	<b>(1,282)</b>	<b>3,529</b>	<b>85,816</b>	<b>(6,449)</b>	<b>219,372</b>	<b>300,988</b>	<b>4,473</b>	<b>305,461</b>
<b>Balance as at 1 January 2008</b>	2	-	3,529	85,816	(240)	164,152	253,259	-	253,259
Employee share option scheme: Value of services rendered	-	-	-	-	310	-	310	-	310
Dividend relating to 2007	-	-	-	-	-	(6,462)	(6,462)	-	(6,462)
Acquisition of subsidiaries	-	-	-	-	-	-	-	7,418	7,418
Total comprehensive income/ (expense) for the period	-	-	-	-	6,098	24,272	30,370	118	30,488
<b>Balance as at 30 June 2008</b>	<b>2</b>	<b>-</b>	<b>3,529</b>	<b>85,816</b>	<b>6,168</b>	<b>181,962</b>	<b>277,477</b>	<b>7,536</b>	<b>285,013</b>

<sup>1</sup> A trust was established to purchase and hold the Company's shares from the open market for delivery to employees under the share option plans. Such shares are designated as treasury shares.

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

<b>GROUP</b>	<b>Share capital</b>	<b>Treasury shares held by Trust<sup>1</sup></b>	<b>Merger reserve</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Minority interests</b>	<b>Total equity</b>
<b>2<sup>ND</sup> QUARTER</b>									
<b>Balance as at 1 April 2009</b>	2	(1,163)	3,529	85,816	(15,180)	213,604	286,608	4,993	291,601
Purchase of treasury shares	-	(119)	-	-	-	-	(119)	-	(119)
Employee share option scheme: Value of services rendered	-	-	-	-	118	-	118	-	118
Dividend relating to 2008	-	-	-	-	-	(6,463)	(6,463)	-	(6,463)
Total comprehensive income/ (expense) for the period	-	-	-	-	8,613	12,231	20,844	(520)	20,324
<b>Balance as at 30 June 2009</b>	<b>2</b>	<b>(1,282)</b>	<b>3,529</b>	<b>85,816</b>	<b>(6,449)</b>	<b>219,372</b>	<b>300,988</b>	<b>4,473</b>	<b>305,461</b>
<b>Balance as at 1 April 2008</b>	2	-	3,529	85,816	(2,617)	166,475	253,205	-	253,205
Employee share option scheme: Value of services rendered	-	-	-	-	155	-	155	-	155
Dividend relating to 2007	-	-	-	-	-	(6,462)	(6,462)	-	(6,462)
Acquisition of subsidiaries	-	-	-	-	-	-	-	7,418	7,418
Total comprehensive income/ (expense) for the period	-	-	-	-	8,630	21,949	30,579	118	30,697
<b>Balance as at 30 June 2008</b>	<b>2</b>	<b>-</b>	<b>3,529</b>	<b>85,816</b>	<b>6,168</b>	<b>181,962</b>	<b>277,477</b>	<b>7,536</b>	<b>285,013</b>

<sup>1</sup> A trust was established to purchase and hold the Company's shares from the open market for delivery to employees under the share option plans. Such shares are designated as treasury shares.

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

<b>COMPANY HALF YEAR</b>	<b><u>Share capital</u></b>	<b><u>Share premium</u></b>	<b><u>Other reserves</u></b>	<b><u>Retained earnings</u></b>	<b><u>Total equity</u></b>
<b>Balance as at 1 January 2009</b>	2	85,816	1,574	71,479	158,871
Contribution to Trust <sup>1</sup>	-	-	(1,675)	-	(1,675)
Employee share option scheme: Value of services rendered	-	-	236	-	236
Dividend relating to 2008	-	-	-	(6,463)	(6,463)
Total comprehensive expense for the period	-	-	-	(2,281)	(2,281)
<b>Balance as at 30 June 2009</b>	<b>2</b>	<b>85,816</b>	<b>135</b>	<b>62,735</b>	<b>148,688</b>
<b>Balance at 1 January 2008</b>	2	85,816	947	47,704	134,469
Employee share option scheme: Value of services rendered	-	-	310	-	310
Dividend relating to 2007	-	-	-	(6,462)	(6,462)
Total comprehensive income for the period	-	-	-	41,573	41,573
<b>Balance as at 30 June 2008</b>	<b>2</b>	<b>85,816</b>	<b>1,257</b>	<b>82,815</b>	<b>169,890</b>

<sup>1</sup> A trust was established to purchase and hold the Company's shares from the open market for delivery to employees under the share option plans. Such shares are designated as treasury shares.

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

<b>COMPANY 2<sup>ND</sup> QUARTER</b>	<b><u>Share capital</u></b>	<b><u>Share premium</u></b>	<b><u>Other reserves</u></b>	<b><u>Retained earnings</u></b>	<b><u>Total equity</u></b>
<b>Balance as at 1 April 2009</b>	2	85,816	517	69,520	155,855
Contribution to Trust <sup>1</sup>	-	-	(500)	-	(500)
Employee share option scheme: Value of services rendered	-	-	118	-	118
Dividend relating to 2008	-	-	-	(6,463)	(6,463)
Total comprehensive expense for the period	-	-	-	(322)	(322)
<b>Balance as at 30 June 2009</b>	<b>2</b>	<b>85,816</b>	<b>135</b>	<b>62,735</b>	<b>148,688</b>
<b>Balance as at 1 April 2008</b>	2	85,816	1,102	51,441	138,361
Employee share option scheme: Value of services rendered	-	-	155	-	155
Dividend relating to 2008	-	-	-	(6,462)	(6,462)
Total comprehensive income for the period	-	-	-	37,836	37,836
<b>Balance as at 30 June 2008</b>	<b>2</b>	<b>85,816</b>	<b>1,257</b>	<b>82,815</b>	<b>169,890</b>

<sup>1</sup> A trust was established to purchase and hold the Company's shares from the open market for delivery to employees under the share option plans. Such shares are designated as treasury shares.

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

As at 30 June 2009, the Company's issued and paid-up capital (including treasury shares) comprised of 1,292,612,000 (31 December 2008: 1,292,612,000) ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised of 1,287,212,000 (31 December 2008: 1,292,612,000) ordinary shares.

On 21 January 2009, the Company established a trust to purchase and hold the Company's shares acquired from the open market for delivery to employees under the Company's share incentive plan. The Trust is consolidated in the consolidated financial statements under SIC Interpretation 12, Consolidation – Special purpose entities. Pursuant to its establishment, the Trust has acquired 5,400,000 shares in the Company as at 30 June 2009. Such shares are designated as treasury shares.

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

See above.

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

None.

**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 2008.

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

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

- IAS 1R – Presentation of financial statements
- IAS 23R – Borrowing costs
- IFRS 8 – Operating segments
- Amendment to IFRS 2 – Vesting conditions and cancellations
- Annual Improvements Project which includes amendments to IAS 1, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 31, IAS 36, IAS 38, IAS 39.

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

**6. Earnings per ordinary share**

	<b>Jan - Jun 2009</b>	<b>Jan - Jun 2008</b>	<b>Apr – Jun 2009</b>	<b>Apr – Jun 2008</b>
(a) Based on weighted average number of ordinary shares on issue (US cents per share)	1.63	1.88	0.94	1.70
(b) On fully diluted basis (US cents per share)	1.63	1.87	0.94	1.70

**7. Net Asset Value**

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-09</b>	<b>31-Dec-08</b>	<b>30-Jun-09</b>	<b>31-Dec-08</b>
Net asset value per ordinary share based on issued share capital (US cents per share)	23.29	22.08	11.50	12.29

## 8. Review of Performance of the Group

1<sup>st</sup> Half ended 30<sup>th</sup> June 2009 (1H 2009) compared to the 1<sup>st</sup> Half ended 30<sup>th</sup> June 2008 (1H 2008)

2<sup>nd</sup> Quarter ended 30<sup>th</sup> June 2009 (2Q 2009) compared to the 2<sup>nd</sup> Quarter ended 30<sup>th</sup> June 2008 (2Q 2008)

	Jan - Jun 2009	Jan - Jun 2008	% Increase / (Decrease)	Apr –Jun 2009	Apr – Jun 2008	% Increase / (Decrease)
Volume - Mts million	7.4	8.7	(14.9)	3.7	4.3	(14.0)
Retail volume – Mts million	4.4	4.0	10.8	2.2	2.1	6.2
Average Sales Value per MT - US\$	298.28	530.05	(43.7)	343.55	581.94	(41.0)
Average Purchase Cost per MT US\$ (note a)	282.14	517.62	(45.5)	326.23	565.07	(42.3)
Gross Contribution - US\$ million (note b)	75.5	56.1	34.6	42.7	45.6	(6.4)
Gross Contribution per MT - US\$	10.16	6.42	58.3	11.61	10.52	10.4
Revenue - US\$ million	2,275.3	4,673.5	(51.3)	1,293.8	2,539.6	(49.1)
Profit before Tax - US\$ million	29.2	17.8	64.0	17.8	20.6	(13.6)
Profit after tax US\$ mill	19.6	24.3	(19.3)	11.7	22.0	(46.8)
Profit after tax and minority interest US\$ mill	21.1	24.3	(13.2)	12.2	22.0	(44.6)
Earnings per Share						
- Basic US cents per share	1.63	1.88	(13.3)	0.94	1.70	(44.7)
- Diluted US cents per share	1.63	1.87	(12.8)	0.94	1.69	(44.4)

MT = Metric ton

Note:

- a) Average purchase cost includes the gains or losses on commodity swaps and futures.
- b) Gross contribution is calculated as revenue minus derivative financial instruments (gains)/losses net, inventories recognized as an expense, barging and pipeline costs, chartering expenses, rentals on operating leases, demurrage costs and service and commission expenses. Revenues and expenses that are not part of the core trading and logistics businesses have not been considered for such gross contribution calculations.

## **Consolidated Income Statement**

### **Revenue**

The Group's revenue for 2Q 2009 was lower by 49% at US\$1.3 billion as against US\$2.5 billion for 2Q 2008. For 1H 2009 the Group's revenue was lower by 51% at US\$2.3 billion compared to US\$4.7 billion for 1H 2008.

### **Volumes & Average prices**

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

The Group's sales volume for 2Q 2009 was 3.7 million metric tons as compared to 4.3 million metric tons in 2Q 2008, a decrease of 14%. The Group's sales volume for 1H 2009 was 7.4 million metric tons as compared to 8.7 million metric tons for the 1H 2008, a decrease of 15%. The reduction in volume was due to lower wholesale volume in Americas and Europe combined with lower ex-wharf volume in Asia and Europe. The overall retail sales volume increased for the above period due to higher retail sales in Asia and Europe which compensated for lower volume in other segments.

Oil prices were lower in 2Q 2009 compared to 2Q 2008 which decreased the average sales value in 2Q 2009 by 41% at US\$ 344 per metric ton compared to US\$ 582 per metric ton in 2Q 2008. The decrease in purchase costs in 2Q 2009 was 42% at US\$ 326 per metric ton compared to US\$ 565 per metric ton in 2Q 2008.

The average sales value per metric ton realized during the 1H 2009 was lower by 44% at US\$298 per metric ton as compared to US\$530 per metric ton in 1H 2008. The lower prices during the year also pushed down our average purchase costs to US\$ 282 in 1H 2009 from US\$518 in 1H 2008, a decrease of 46%.

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

#### **2nd Quarter**

Gross contribution reduced by US\$ 2.9 million or by 6% to US\$ 42.7 million in 2Q 2009 from US\$ 45.6 million in 2Q 2008. However the GCMT was higher at US\$11.61 per metric ton in 2Q2009 as compared to US\$10.52 per metric ton in 2Q 2008 as the Group retained sales volume with higher margins.

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

Gross contribution increased by US\$19.4 million or by 35% to US\$75.5 million in 1H 2009 from US\$ 56.1 million in 1H 2008. GCMT improved significantly to US\$ 10.16 in 1H 2009 as compared to US\$ 6.42 in 1H 2008 as we were able to take advantage of arbitrage opportunities in certain ports and sales segments. Additionally, the Group was able to better monitor and effectively control direct costs such as demurrage and chartering costs.

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

#### **Chartering expenses:**

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

Chartering expenses decreased by US\$ 4.3 million or 39% during 2Q 2009 and by US\$ 7.4 million or 38% during 1H 2009. The decrease is due to the reduced level of chartering activities and charter rates.

## **Rentals on Operating leases**

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

Rentals on operating leases were lower by US\$ 3 million or 14% as the Group did not require the use of temporary floating storage facilities in Asia during the current period as compared to 1H 2008.

### **Demurrage costs:**

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

Demurrage cost decreased by US\$ 9.8 million or 60% as the Group took counteractive measures to control demurrage costs. In addition, the Group did not suffer the same extent of berth congestion in the Americas as compared to 1H 2008.

## **Employee benefits & other expenses**

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

Several costs such as employee benefits, marketing and communication expenses, service and commission expenses, other expenses and depreciation and amortization have increased in 1H 2009 and 2Q 2009 due to the inclusion of the results of a subsidiary which was consolidated since June 2008. Without the inclusion of this subsidiary our overall costs are lower than the previous period.

## **Finance Costs**

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

Finance costs decreased by US\$ 3.5 million or 41% during 2Q 2009 and by US\$ 7.5 million or 43% during 1H 2009. This decrease is mainly on account of reduced short term borrowings due to lower oil prices.

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

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

The Group's share of profits from associates and joint ventures improved to US\$ 2.4 million in 2Q 2009 against US\$ 0.3 million in 2Q 2008 mainly as a result of better earnings from an associate.

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

The Group's share of profits from associates and joint ventures was higher by US\$ 5.5 million in 1H 2009 mainly on account of improved performance of a joint venture company during the 1H 2009, which had reported losses in 1H 2008.

## **Income Tax expense**

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

In 2Q 2009, the Group had a tax charge of US\$ 6.1 million as compared to a tax credit of US\$ 1.4 million in 2Q 2008. The Group's tax charge for 1H 2009 was US\$ 9.6 million as against a tax credit of US \$ 6.5 million during 1H 2008. In 2008, the Group had certain non taxable incomes and had reported losses in certain tax jurisdictions which resulted in a tax credit during the respective periods.

## **Consolidated Statement of Financial Position**

The Group's total assets increased by 51% to US\$1.3 billion as at end June 2009 from US\$839.7 million as at end December 2008. This increase was mainly due to the Group's current assets which had gone up as a result of increased level of oil prices since end of 2008.

<b><u>Asset Turnover ratios</u></b>	<b>1H 2009</b>	<b>FY 2008</b>
Inventory Days (average method)	22.1	18.3
Accounts Receivable Days (average method)	33.0	28.9
Accounts Payable Days (average method)	23.5	21.3

Given the volatility in oil prices, asset turnover ratios using asset data as at the end of the reporting period instead of average data across the reporting period may not be meaningful. We have therefore adopted the average method of reporting asset turnover ratios and have reported the comparable data for the full year 2008 to provide a more meaningful basis for comparison.

Other current assets reduced by US\$ 1.6 million due to decreased advances made to suppliers of marine fuel.

Property plant and equipment decreased to US\$ 231.0 million in June 2009 from US\$ 233.0 million as of end December 2008 mainly on account of depreciation.

Borrowings increased to US\$ 576.8 million as at end June 2009 compared to US\$ 314.0 million as at end December 2008 (Refer to Note 1 (b) (ii)). The debt to equity ratio increased to 189% as at end June 2009 compared to 108 % as at end December 2008 whereas the long term debt to equity ratio decreased to 57% as at end June 2009 compared to 64% as at end December 2008.

Working capital was US\$ 160.0 million as at end June 2009 against US\$ 166.0 million as at end December 2008 and shareholders' funds increased by US\$ 14.1 million in June 2009 as compared to December 2008.

## **Consolidated Cash Flow Statement**

As of June 2009, the Group's net cash used in operating activities was US\$ 254.9 million compared to US\$ 307.6 million as at end June 2008.

As of June 2009, the Group's net cash used in investing activities was US\$ 9.3 million compared to US\$ 11.3 million as at end June 2008.

As of June 2009, the Group's net cash generated from financing activities was US\$ 236.3 million as compared to US\$ 316.1 million as at end June 2008.

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.**

The prolonged global financial situation has led to a contraction of credit and liquidity which has affected economic activity worldwide. It has had a negative impact on the business of our customers, mainly the shipping industry, and affected our sales volume of fuel. The Group has not experienced any difficulty in obtaining credit facilities and the Group has sufficient and diversified banking relationships to finance its operations.

As disclosed in our earlier announcement dated 25<sup>th</sup> June 2009, the Company has been informed by the majority shareholder that they are currently in discussions with various parties involving a possible sale of some or all of their shares in the Company. However, the discussions may or may not materialize into something definitive.

**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 30<sup>th</sup> June 2009, 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) US\$'000	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 ) US\$'000
Itochu Petroleum Company Singapore Ltd	988	40,333
Itochu Enex Ltd	-	2,350
Pebble Beach Shipping	871	-
Baron Shipping Corporation	856	-
American Healthnet Inc	468	-
Andorra Service Limited Hong Kong	72	-
<b>Total</b>	<b>3,255</b>	<b>42,683</b>

### 14. Confirmation of the Board

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

We hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 2<sup>nd</sup> quarter ended 30<sup>th</sup> June 2009 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