



**Chemoil Energy Limited**  
**Unaudited Financial Information**  
**For the 2<sup>nd</sup> Quarter and Half Year ended 30 June 2007**

**1. (a)(i) Consolidated Income Statement**

	GROUP			GROUP		
	Jan – June 2007 US\$'000	Jan – June 2006 US\$'000	% Increase/ (Decrease)	Apr – June 2007 US\$'000	Apr – June 2006 US\$'000	% Increase/ (Decrease)
Revenue	2,313,492	2,037,906	14	1,297,811	1,076,706	21
Other gains/(losses) - net (See Note 1.(a)(ii))	(30,770)	1,682	N/M	(17,607)	4,428	N/M
	<b>2,282,722</b>	<b>2,039,588</b>	<b>12</b>	<b>1,280,204</b>	<b>1,081,134</b>	<b>18</b>
Expenses						
- Inventories recognised as an expense	2,155,156	1,923,533	12	1,222,174	1,022,181	20
- Barging and pipeline costs	24,204	19,598	24	13,404	12,006	12
- Chartering expenses	10,510	16,635	(37)	6,908	7,855	(12)
- Rentals on other operating leases	20,040	11,242	78	8,974	5,306	69
- Demurrage costs	7,862	5,379	46	3,826	2,421	58
- Employee benefits	9,526	8,188	16	3,826	3,407	12
- Marketing and communication expenses	2,025	763	N/M	1,163	258	N/M
- Service and commission expenses	5,247	4,889	7	2,520	2,932	(14)
- Other expenses	14,763	8,033	84	7,600	3,358	N/M
- Depreciation and amortisation	2,851	1,602	78	1,633	813	N/M
- Interest on borrowings	10,447	8,733	20	5,799	5,234	11
Total expenses	<b>2,262,631</b>	<b>2,008,595</b>	<b>13</b>	<b>1,277,827</b>	<b>1,065,771</b>	<b>20</b>
Share of associates' & joint ventures' results – net	2,526	1,717	47	(2,048)	(301)	N/M
Profit before income tax	<b>22,617</b>	<b>32,710</b>	<b>(31)</b>	<b>329</b>	<b>15,062</b>	<b>(98)</b>
Income tax expense	(4,147)	(7,547)	(45)	277	(4,135)	N/M
<b>Profit after tax</b>	<b>18,470</b>	<b>25,163</b>	<b>(27)</b>	<b>606</b>	<b>10,927</b>	<b>(94)</b>
Attributable to:						
Equity holders of the Company	18,470	25,165	(27)	606	10,943	(94)
Minority interest	-	(2)	N/M	-	(16)	N/M

N/M: not meaningful

1.(a)(ii) Notes to the Consolidated Income Statement

	Group			Group		
	Jan – Jun 2007 US\$'000	Jan – Jun 2006 US\$'000	% Increase/ (Decrease)	Apr – Jun 2007 US\$'000	Apr – Jun 2006 US\$'000	% Increase/ (Decrease)
<b><u>Other gains/(losses) – net includes the following</u></b>						
(a) Interest income	3,207	2,775	16	1,887	1,449	30
(b) Gain on partial disposal of associates	-	71	N/M	-	-	N/M
(c) Foreign exchange gain/(loss)	72	19	N/M	(18)	141	N/M
(d) Fair value losses on other financial assets at fair value through profit or loss	(5)	-	N/M	180	-	N/M
(e) Derivatives financial instruments – net (loss)						
(See Note a and b )	(34,044)	(1,183)	N/M	(19,656)	2,838	N/M
<b>Total</b>	<b>(30,770)</b>	<b>1,682</b>		<b>(17,607)</b>	<b>4,428</b>	

N/M: not meaningful

**Note:-**

- a) The Group enters into derivative contracts in the form of swaps and futures in order to mitigate the risk of market price fluctuations in marine fuel. These derivatives are generally used to hedge our physical inventory or an underlying transaction. Gains or losses on these instruments are recognised in other gains/(losses) net. These gains or losses should not be considered in isolation but in conjunction with the costs of physical inventories shown as “Inventories recognised as expense” in the income statement as they are essentially hedges against price movements on these inventories.
- b) Derivatives financial instruments – net (loss) increased by \$32.86 million in the first half 2007 as compared to the first half 2006. This was due to a steeper price movement and higher level of inventories which were hedged in the first half 2007 as compared to the first half of 2006. Against these derivative losses, there are physical gains which are already recognized in the financial statements.

	GROUP			COMPANY		
	30-Jun-07 US\$'000	31-Dec-06 US\$'000	% Increase/ (Decrease)	30-Jun-07 US\$ '000	31-Dec-06 US\$'000	% Increase/ (Decrease)
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and bank balances	44,946	49,573	(9)	2,080	9,233	(77)
Derivative financial instruments	5,547	10,671	(48)	605	-	N/M
Other financial assets at fair value through profit or loss	891	838	6	-	-	-
Income tax recoverable	2,171	3,637	(40)	-	-	-
Other current assets	58,308	23,161	N/M	52,284	17,248	N/M
Trade and other receivables	397,779	319,887	24	103,459	90,306	15
Inventories	283,324	169,936	67	-	-	-
	<b>792,966</b>	<b>577,703</b>		<b>158,428</b>	<b>116,787</b>	
<b>Non-current assets</b>						
Other non-current assets	2,685	3,055	(12)	-	-	-
Investments in associates	24,227	22,209	9	17,426	18,883	(8)
Investments in joint ventures	7,758	-	-	7,835	-	-
Investments in subsidiaries	-	-	-	17,297	17,247	N/M
Intangible assets	1,626	1,626	N/M	-	-	-
Property, plant and equipment	67,807	16,922	N/M	-	-	-
Deferred income tax assets	694	267	N/M	-	-	-
	<b>104,797</b>	<b>44,079</b>		<b>42,558</b>	<b>36,130</b>	
<b>Total assets</b>	<b>897,763</b>	<b>621,782</b>		<b>200,986</b>	<b>152,917</b>	
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	315,547	186,364	69	3,387	1,406	N/M
Derivative financial instruments	11,255	2,016	N/M	329	-	N/M
Current income tax liabilities	3,366	3,155	7	-	-	-
Borrowings	268,988	135,593	98	28,657	8,890	N/M
Provisions for other liabilities and charges	1,815	2,526	(28)	-	-	-
	<b>600,971</b>	<b>329,654</b>		<b>32,373</b>	<b>10,296</b>	
<b>Non-current liabilities</b>						
Borrowings	51,611	51,357	-	35,778	33,753	6
Deferred income tax liabilities	2,777	4,455	(38)	-	-	-
	<b>54,388</b>	<b>55,812</b>		<b>35,778</b>	<b>33,753</b>	
<b>Total liabilities</b>	<b>655,359</b>	<b>385,466</b>		<b>68,151</b>	<b>44,049</b>	
<b>NET ASSETS</b>	<b>242,404</b>	<b>236,316</b>		<b>132,835</b>	<b>108,868</b>	

	GROUP			COMPANY		
	30-Jun-07 US\$'000	31-Dec-06 US\$'000	% Increase/	30-Jun-07 US\$ '000	31-Dec-06 US\$'000	% Increase/ (Decrease)
<b>EQUITY</b>						
Share capital	2	2	-	2	2	-
Share premium	85,816	85,816	-	85,816	85,816	-
Merger reserve	3,529	3,529	-		-	-
Other reserves	766	222	N/M	469	41	N/M
Retained earnings	152,291	146,747	4	46,548	23,009	N/M
	<b>242,404</b>	<b>236,316</b>		<b>132,835</b>	<b>108,868</b>	
Minority interest	-	-		-	-	
<b>Total equity</b>	<b>242,404</b>	<b>236,316</b>		<b>132,835</b>	<b>108,868</b>	

### 1.(b)(ii) Aggregate amount of Group's Borrowings and Debt securities

	30-Jun-07 (in US\$000)		31-Dec-06 (in US\$000)	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	255,988	13,000	126,993	8,600
Amount repayable after one year	51,611	-	51,357	-
<b>Total</b>	<b>307,599</b>	<b>13,000</b>	<b>178,350</b>	<b>8,600</b>
	30-Jun-2007 US'000		31-Dec-06 US'000	
<b>Details of any collaterals</b>				
Secured on current assets of a subsidiary	28,796		15,164	
Secured on property, plant and equipment and lease rentals of a subsidiary	58,692		57,480	
Secured against trade receivables under a receivables purchase agreement of a subsidiary (See Note a below)	166,972		83,916	
Secured on bank balances and deposits, trade and other receivables and inventories of a subsidiary	53,060		21,703	
Secured on motor vehicles of a subsidiary (See Note b below)	79		87	
<b>Total</b>	<b>307,599</b>		<b>178,350</b>	

#### Note: (in US\$ 000)

- The gross amounts of trade receivables secured under the receivables purchase agreement is US\$ 184,353(As at 31 December 2006: US\$140,810)
- Motor Vehicles have a carrying amount of US\$125 (As at 31 December 2006: US\$132)

## 1.(c) Consolidated Cash Flow Statements

(In US \$'000, unless otherwise stated)	<b>GROUP</b>			
	<b>YTD Jun 2007</b>	<b>YTD Jun 2006</b>	<b>Q2 2007</b>	<b>Q2 2006</b>
<b>Cash flows from operating activities</b>				
<b>Profit after tax</b>	18,470	25,163	606	10,927
Adjustments for:				
Tax expense	4,147	7,547	(277)	4,135
Share option expenses	430	-	215	-
Depreciation and amortisation	2,851	1,602	1,633	813
Gain on disposal of associates	-	(71)	-	-
Gain on disposal of subsidiaries	-	-	-	-
Net loss on disposal of property, plant and equipment	-	-	-	-
Gain on disposal of other financial assets at fair value through profit or loss	-	-	-	-
Fair value losses on other financial assets at fair value through profit or loss	(5)	-	(190)	-
Share of associates' results	(2,603)	(1,717)	1,971	301
Share of (profits) from Investments in Joint ventures	77	-	77	-
Interest income	(3,207)	(2,775)	(1,887)	(1,449)
Finance expense	10,447	8,733	5,799	5,234
<b>Operating cash flow before working capital changes</b>	<b>30,607</b>	<b>38,482</b>	<b>7,947</b>	<b>19,961</b>
Changes in operating assets and liabilities				
Derivative financial instruments	14,363	407	(16,973)	(8,889)
Other assets	(34,845)	3,593	(48,630)	224
Trade and other receivables	(77,466)	2,740	(46,057)	11,891
Inventories	(113,338)	(3,291)	(69,410)	9,383
Trade and other payables	127,981	(124,441)	82,595	(105,633)
Provisions for other liabilities and charges	(711)	(93)	(101)	306
<b>Cash used in operations</b>	<b>(53,409)</b>	<b>(82,603)</b>	<b>(90,629)</b>	<b>(72,757)</b>
Income tax paid	(4,485)	(9,077)	(3,887)	(4,908)
<b>Net cash generated from/(used in) operating activities</b>	<b>(57,894)</b>	<b>(91,680)</b>	<b>(94,516)</b>	<b>(77,665)</b>
<b>Cash flows from investing activities</b>				
Purchase of other financial assets at fair value through profit or loss	-	(476)	-	(275)
Purchases of property, plant & equipment	(44,541)	(862)	(3,799)	(489)
Advances for purchase of Property, Plant and Equipment	-	-	-	-
Proceeds from disposal of investment in associates	-	207	-	(66)
Capital reduction of an associate	-	300	-	300
Acquisition of a subsidiary, net of cash received	(8,427)	(21,801)	(8,427)	(21,801)
Proceeds from disposal of a subsidiary, net of cash disposed of	-	-	-	-
Acquisition of associates	-	(2,798)	-	(1,848)
Acquisition of Investments in JV's	(7,835)	-	(201)	-
Proceeds from disposal of other financial assets at fair value through profit or loss	-	-	-	-

Loan repayments received from a related party	-	-	-	(4,000)
Interest received	3,207	2,775	1,887	1,449
Dividends received from associates	585	1,461	-	291
<b>Net cash (used in)/generated from investing activities</b>	<b>(57,011)</b>	<b>(21,194)</b>	<b>(10,540)</b>	<b>(26,439)</b>
(In US\$'000, unless otherwise stated)				
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	140,370	96,838	97,342	64,412
Repayments of borrowings	(26,839)	(15,804)	(1,534)	(1,513)
Proceeds from issue of shares	-	-	-	-
Interest paid	(10,446)	(8,733)	(5,798)	(5,234)
Bank balances and deposits pledged with banks for bank loans	7,043	(1,661)	186	(4,995)
Dividends paid to shareholders	(12,926)	(6,000)	(12,926)	-
<b>Net cash generated from financing activities</b>	<b>97,202</b>	<b>64,640</b>	<b>77,270</b>	<b>52,670</b>
<b>Net increase in cash and cash equivalents</b>	<b>(17,703)</b>	<b>(48,234)</b>	<b>(27,786)</b>	<b>(51,434)</b>
Cash and cash equivalents at beginning of financial period	17,365	50,210	27,448	53,410
<b>Cash and cash equivalents at end of financial period</b>	<b>(338)</b>	<b>1,976</b>	<b>(338)</b>	<b>1,976</b>
Comprising:				
Cash and bank balances	44,946	27,252	44,946	27,252
Bank balances & deposits pledged with banks loans	(3,462)	(5,128)	(3,462)	(5,128)
Bank overdrafts	(41,822)	(20,148)	(41,822)	(20,148)
<b>Total</b>	<b>(338)</b>	<b>1,976</b>	<b>(338)</b>	<b>1,976</b>

### 1.(d)(i) Statements of Changes in Equity

	Attributable to equity holders of the Company						
	Share capital	Merger Reserves	Share premium	Other reserves	Retained earnings	Minority Interest	Total Equity
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
<b>GROUP - HALF YEAR</b>							
<b>Balance at 1 January 2007</b>	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
<b>Total recognised income for the period</b>	-	-	-	114	18,470	-	18,584
Employee share option scheme:							
- Value of services rendered	-	-	-	430	-	-	430
Dividend relating to 2006	-	-	-	-	(12,926)	-	(12,926)
<b>Balance as at 30th June 2007</b>	2	3,529	85,816	766	152,291	-	242,404
<b>Balance at 1 January 2006</b>	2	3,529	-	121	99,903	176	103,731
Currency translation differences recognised directly in equity	-	-	-	(41)	-	2	(39)
Profit for the period	-	-	-	-	25,165	(2)	25,163
<b>Total recognised income for the period</b>	-	-	-	(41)	25,165	-	25,124
Dividend relating to 2005	-	-	-	-	(11,000)	-	(11,000)
<b>Balance as at 30th June 2006</b>	2	3,529	-	80	114,068	176	117,855

**1.(d)(i) Statements of Changes in Equity (continued)**

<b>COMPANY - HALF YEAR</b>	Share capital US\$000	Share premium US\$000	Other reserves US\$000	Retained earnings US\$000	Total equity US\$000
<b>Balance at 1 January 2007</b>	2	85,816	41	23,009	108,868
Profit for the period	-	-	-	36,465	36,465
<b>Total recognised income for the period</b>	-	-	-	36,465	36,465
Employee share option scheme: - Value of services rendered	-	-	428	-	428
Dividend relating to 2006	-	-	-	(12,926)	(12,926)
<b>Balance as at 30th June 2007</b>	2	85,816	469	46,548	132,835
<b>Balance at 1 January 2006</b>	2	-	-	3,010	3,012
Profit for the period	-	-	-	7,925	7,925
<b>Total recognised income for the period</b>	-	-	-	7,925	7,925
Dividend relating to 2005 (See Note a)	-	-	-	(1,000)	(1,000)
<b>Balance as at 30th June 2006</b>	2	-	-	9,935	9,937

a) During the period an additional dividend of US\$10 million was paid by a company treated as a subsidiary pursuant to the adoption of merger accounting

**1.(d)(i) Statements of Changes in Equity (continued)**

	Attributable to equity holders of the Company						
	Share capital	Merger Reserves	Share premium	Other reserves	Retained earnings	Minority Interest	Total Equity
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
<b>GROUP – 2<sup>nd</sup> Quarter</b>							
<b>Balance at 31<sup>st</sup> March 2007</b>	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
<b>Total recognised income for the period</b>	-	-	-	87	606	-	693
Employee share option scheme: - Value of services rendered	-	-	-	215	-	-	215
Dividend relating to 2006	-	-	-	-	(12,926)	-	(12,926)
<b>Balance as at 30th June 2007</b>	2	3,529	85,816	766	152,291	-	242,404
<b>Balance at 31<sup>st</sup> March 2006</b>	2	3,529	-	142	108,125	190	111,988
Currency translation differences recognised directly in equity	-	-	-	(62)	-	2	(60)
Profit for the period	-	-	-	-	10,943	(16)	10,927
<b>Total recognised income for the period</b>	-	-	-	(62)	10,943	(14)	10,867
Dividend relating to 2005	-	-	-	-	(5,000)	-	(5,000)
<b>Balance as at 30th June 2006</b>	2	3,529	-	80	114,068	176	117,855

**1.(d)(i) Statements of Changes in Equity (continued)**

<b>COMPANY - 2<sup>nd</sup> Quarter</b>	Share capital US\$000	Share premium US\$000	Other reserves US\$000	Retained earnings US\$000	Total equity US\$000
<b>Balance at 31<sup>st</sup> March 2007</b>	2	85,816	255	21,586	107,659
Profit for the period	-	-	-	37,888	37,888
<b>Total recognised income for the period</b>	-	-	-	37,888	37,888
Employee share option scheme: - Value of services rendered	-	-	214	-	214
Dividend relating to 2006	-	-	-	(12,926)	(12,926)
<b>Balance as at 30th June 2007</b>	2	85,816	469	46,548	132,835
<b>Balance at 31<sup>st</sup> March 2006</b>	2	-	-	2,697	2,699
Profit for the period	-	-	-	7,238	7,238
<b>Total recognised income for the year</b>	-	-	-	7,238	7,238
<b>Balance as at 30th June 2006</b>	2	-	-	9,935	9,937

- a) During the period an additional dividend of US\$5 million was paid by a company treated as a subsidiary pursuant to the adoption of merger accounting.

**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 period. 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 period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Nil

**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, 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 2006.

**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 8 Scope of IFRS 2 (Effective from 1<sup>st</sup> January 2007)
- IFRIC 10 Interim Financial Reporting and Impairment (effective from 1<sup>st</sup> January 2007)
- IFRS 7 Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from 1<sup>st</sup> January 2007)

The adoption of the above mentioned amendments and interpretations did not materially affect the results of the Group.

## 6. Earning per Ordinary Share

<b>Earnings per ordinary share</b>	<b>Jan – Jun 2007</b>	<b>Jan - Jun 2006</b>	<b>Apr – Jun 2007</b>	<b>Apr - Jun 2006</b>
(a) Based on weighted average number of ordinary shares on issue (US cents per share)	1.429	2.290	0.047	0.996
(b) On fully diluted basis (US cents per share)	1.417	2.290	0.046	0.996

## 7. Net Asset Value

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-07</b>	<b>31-Dec-06</b>	<b>30-Jun-07</b>	<b>31-Dec-06</b>
Net asset value per ordinary share based on issued share capital (US cents per share)	18.75	18.28	10.37	8.42

## 8. Review of the Performance of the Group

**1<sup>st</sup> Half ended 30<sup>th</sup> June 2007 (1H 2007) compared to the 1<sup>st</sup> Half ended 30<sup>th</sup> June 2006 (1H 2006)  
2<sup>nd</sup> Quarter ended 30<sup>th</sup> June 2007 (Q2 2007) compared to the 2<sup>nd</sup> Quarter ended 30<sup>th</sup> June 2006 (Q2 2006)**

	Jan – Jun 2007	Jan – Jun 2006	% Increase/ Decrease	Apr – Jun 2007	Apr – Jun 2006	% Increase/ Decrease
<b>Volumes - MTs million</b>	7.3	6.1	20.9	3.8	3.1	23.0
<b>Average sales value per MT - US\$</b>	312.03	331.08	(5.8)	341.34	347.33	(1.7)
<b>Average purchase cost per MT – US\$ (see note a)</b>	298.71	317.33	(5.9)	330.43	333.45	(0.9)
<b>Gross contribution US\$ million (see note b)</b>	56.4	55.4	1.8	20.3	26.8	(24.3)
<b>Gross contribution per MT - US\$</b>	7.70	9.14	(15.8)	5.41	8.78	(38.4)
<b>Revenue - US\$ million</b>	2,313	2,038	13.5	1,298	1,077	20.5
<b>Profit before tax - US\$ million</b>	22.6	32.7	(30.9)	0.3	15.1	(98.0)
<b>Profit after tax – US\$ million</b>	18.5	25.2	(26.6)	0.6	10.9	(94.5)
<b>Earnings per share in US cents – basic</b>	1.429	2.290	(37.6)	0.047	0.996	(95.3)
<b>- diluted</b>	1.417	2.290	(38.1)	0.046	0.996	(95.4)

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 recognised 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 21% from US\$ 1.08 billion in the 2nd quarter 2006 (“2Q2006”) to US\$1.30 billion in 2nd quarter 2007 (“2Q2007”). For the 1st half of 2007 (“1H2007”), the company’s revenue growth was 14%, rising from US\$2.04 billion in the 1st half FY2006 (“1H2006”) to US\$ 2.31 billion.

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

The growth in volume was 23% from 3.1 million metric tons in 2006 to 3.8 million metric tons in 2007 mainly driven by sales volume in Rotterdam.

Average sales value during the quarter was lower by 1.7% at US\$ 341.34 per metric ton in 2007 against US\$ 347.33 in 2006 whereas average purchase costs declined by 0.9% from US\$ 333.45 in 2006 to 330.43 in 2007.

The results for 2007 include incremental revenues amounting to US\$ 68.8 million from Chemoil Europe BV upon its consolidation following the Group’s acquisition of the remaining 50% stake in it in June 2006. Likewise inventory recognised as an expense includes US\$ 61.3 million as incremental costs upon the consolidation of Chemoil Europe BV. After considering all other incremental expenses, the consolidation of Chemoil Europe BV resulted in a breakeven performance for the period.

### **1st Half**

In 2007, the Group achieved growth in sales volumes of 20.9% with an increase of 1.27 million metric tons as compared to 2006. The increase was achieved by higher sales in the port of Rotterdam.

Oil prices were generally lower in 2007 compared to 2006 and consequently, there was a decline in our average sales value in 2007 by 5.8% at US\$312.03 per metric ton compared to US\$ 331.08 per metric ton in 2006. The reduction in purchase costs was 5.9% during the period from US\$ 317.33 per metric ton in 2006 to US\$ 298.71 in 2007.

The results for 2007 include incremental revenues amounting to US\$ 100.8 million from Chemoil Europe BV upon its consolidation following the Group’s acquisition of the remaining 50% stake in it in June 2006. Likewise inventory recognised as an expense includes US\$ 85.6 million as incremental costs upon the consolidation of Chemoil Europe BV. After considering all other incremental expenses, the consolidation of Chemoil Europe BV resulted in a net loss of US\$1.0 million in the group performance for the period.

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

### **Gross Contribution**

#### **2nd Quarter**

Gross contribution reduced by US\$ 6.5 million, 24.3% from US\$ 26.8 in 2006 to US\$ 20.3 in 2007. The reduction in gross contribution was primarily due to an increase in operating expenses incurred mainly Singapore. Further explanation is below.

#### **1st Half**

Gross contribution increased by 1.0 million, 1.8% from US\$ 55.4 in 2006 to US\$56.4 in 2007. The reduction in gross contribution occurred in the second quarter and was primarily from an increase in operating expenses in Singapore as explained below.

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

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

Gross contribution per metric ton reduced by 38.4% from US\$ 8.78 in 2006 to US\$ 5.41 in 2007.

The principal decline was in our Singapore operations which were hampered by a variety of factors:-

The lease on a substantial portion of shore tank storage in Singapore expired in December 2006. Since our storage facilities at Helios Terminal were scheduled to be operational only in early 2008, the group acquired a very large crude carrier (VLCC) in January 2007 to augment its storage capacity in Singapore as an interim measure. The VLCC was drydocked and became operational in mid April 2007. Due to delays in permitting, the VLCC was stationed at a less optimal location than planned, which resulted in reduced margins. This situation was further aggravated due to two collisions caused by third parties and related machinery failure, which resulted in repair expenses, delays and additional costs for replacement vessels, as well as approximately 45 days loss of time and operational disruptions. The group is seeking to recover compensation from third parties responsible for the collisions.

By the end of July the repairs to the VLCC were completed and the vessel has been repositioned to a more favorable location.

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

Although the Gross contribution increased by US\$ 1.0 million, from 2006 to 2007, the Gross Contribution per metric ton reduced by 15.8% from US\$ 9.14 in 2006 to US\$ 7.70 in 2007 due to an increase in higher sales volumes of 1.27 million metric tons in 2007.

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

**Barging and Pipeline Costs:**

2<sup>nd</sup> Quarter

Barging and pipeline costs increased by US\$1.4 million or 11.7%. These costs have increased due to the consolidation of expenses from Chemoil Europe BV upon its becoming a subsidiary in June 2006.

1<sup>st</sup> Half

Barging and pipeline costs increased by US\$4.6 million or 23.5%. These costs have increased due to the consolidation of expenses amounting to \$3.5 million from Chemoil Europe BV upon its becoming a subsidiary in June 2006. Additionally, a cost of US\$ 1.1 million was incurred during the period towards the first time mobilization of 3 newly built barges from New Orleans to New York where they are currently being utilized.

**Chartering and vessel operating expenses:**

2<sup>nd</sup> Quarter

Chartering expenses decreased by US\$1.0 million or 12%. Whilst the primary reason for the reduction is the same as that given for the first half, the variance is lower because the 2nd quarter 2007 includes the additional vessel operating costs incurred for the vessels acquired by the group in 2007.

1<sup>st</sup> Half

Chartering expenses decreased by US\$6.1 million or 36.8%. In 2007, the Group chartered vessels mainly to service its own internal operations which resulted in these incomes and costs being eliminated on consolidation and the costs being captured under the head "Inventories recognized as an expense". In 2006 there were a greater number of external charters which explains the increased incomes and costs.

**Rentals on operating leases:**

2<sup>nd</sup> Quarter

Rentals increased by US\$3.7 million or 69.1% which mainly comes inclusion of lease costs at Chemoil Europe amounting to US\$1.8 million. The increase was also as a result of use of floating storage facilities at Singapore amounting to US \$1.5 million on the expiry of the shore tank lease in December 2006.

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

Rentals increased by US\$8.8 million or 78.2%, which mainly comes from floating storage facilities at Singapore amounting to US \$4.1 Million on the expiry of the shore tank lease in December 2006. The increase was also as a result of inclusion of lease costs at Chemoil Europe amounting to US\$4.3 million.

### **Demurrage costs:**

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

Demurrage cost increased by US\$1.4 million or 58% mainly due to an increase of US\$ 1.2 million as a result of additional demurrage at Panama & Rotterdam due to port congestion.

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

Demurrage cost increased by US\$2.5 million or 46.2%. There was an increase of US\$ 1.8 million as a result of additional demurrage at Panama & Rotterdam due to port congestion. Additionally there were several cargoes which incurred demurrages due to operational delays.

### **Other expenses:**

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

Other expenses increased by US\$4.2 million. The expenses for 2006 include a one time duty drawback credit of US\$ 2.2 million. In 2007 costs of US\$ 0.7 million for certain development projects in Panama were written off. Apart from the above, expenses increased due to oil spill tax costs, surveyor and analysis costs and additional corporate overheads incurred as a result of the transition to a public company.

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

Other expenses increased by US\$6.7 million or 83.8% essentially due to the reasons mentioned in the 2<sup>nd</sup> quarter.

### **Share of Associates**

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

The Group's losses from associates increased by US\$1.7million. The Group's share of IPC (USA) Inc.'s losses increased by US\$2.2 million, with the profits from the remaining associates increasing by US\$0.5 million. The losses sustained by IPC (USA) were mainly as a result of reduced margins in the gasoline and jet business during the period.

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

The Group's profits for 1<sup>st</sup> half 2007 were higher than the 1<sup>st</sup> half 2006 by US\$0.8 million. Contribution from IPC (USA) Inc. for 1<sup>st</sup> half 2007 was lower than 1<sup>st</sup> half 2006 by US\$0.2 million. The contribution from Galaxy and other entities were higher by US\$0.9 million and US\$0.1 million respectively in 2007 as compared to 2006.

### **Profits before tax**

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

Profit before tax decreased by 97.8% to US\$ 0.3 million in 2007 from US\$ 15 million in 2006.

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

Profit before tax decreased by 30.9% to US\$ 22.6 million in 2007 from US\$ 32.7 million in 2006.

### **Consolidated Balance Sheet**

The Group's receivables (no. of days of debtors) increased to 31.1 days as of end June 2007 compared to 26.5 days as of end December 2006. The increase in number of days reflects a broader sales mix and is consistent with the credit terms offered in the industry.

Inventory (no. of days of stock) increased to 23.8 days compared to 14.8 days as of end December 2006. Trade payables (no. of days of payables) increased to 25.7 days compared to 15.7 days as of end December 2006. Inventory increased mainly in Singapore due to the additional storage facilities at the end of June 2007 as compared to end December 2006. This build up also resulted in a corresponding increase in trade payables.

Other current assets increased by US\$35.1 million as compared to December 2006 mainly due to advances paid to Andorra Services Ltd towards the purchase of companies as approved at the Company's EGM on 29<sup>th</sup> May 2007.

Investments in joint ventures of US\$7.8 million represent the payments made towards the group's investments in Fujairah and Panama.

Investments in property plant and equipment increased to US\$67.8 million in June 2007 from US\$16.9 million due to the acquisition of 3 vessels during the period.

Borrowings increased to US\$320.6 million as at end June 2007 compared to US\$187.0 million as at end December 2006 (Refer to Note 1 (b)(ii)). The net debt to equity ratio increased to 132 % in June 2007 compared to 79 % as at end December 2006 whereas the net long term debt to equity ratio decreased to 21% in June 2007 compared to 22% as at end December 2006.

Shareholders funds increased to US\$ 242.4 million as at end June 2007 compared to US\$236.3 million as at end December 2006.

The change in derivative financial instruments is analysed as follows:						
	30 <sup>th</sup> Jun -07			31-Dec-06		
	Contract/ notional amount	Fair values		Contract/ notional amount	Fair values	
		Assets	Liabilities		Assets	Liabilities
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Commodity swaps	642,637	4,686	(9757)	712,133	9,860	(2,016)
Commodity futures	122,864		(1,131)	35,547	300	
Interest-rate cap	20,000	234		20,000	222	
Interest rate swaps	60,000	605		-	-	
Currency forwards	3,901	22		37,202	289	
Cross currency swaps	300,000		(368)			
		5,547	(11,255)		10,671	(2,016)

**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. A final dividend of US\$ 12.926 million (US 1 cent per share) relating to 2006 was approved by the shareholders at the Annual General meeting on May 29<sup>th</sup> 2007 and paid in June 2007.

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

Not applicable

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

US\$ 11 million (US 1 cent per share) relating to 2005

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

Not applicable

**d) The date when the dividend is payable**

Not applicable

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

Not applicable

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

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

**13. Interested person transactions.**

During the quarter ended 30<sup>th</sup> June 2007, 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 period 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 period under review (excluding transactions of value less than S\$ 100,000 )
	Apr – June 2007 – (US\$' 000)	Apr – June 2007 – (US\$' 000)
Andorra Service Limited	-	60,738
Itochu Corporation Japan	-	15,345
Olympic Shipping Pte Ltd	888	-
Link Marine Pte Ltd.	265	-
Baron S Shipping Corporation.	620	-
<b>Total</b>	<b>1,773</b>	<b>76,083</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 2nd quarter ended 30<sup>th</sup> June 2007 to be false or misleading in any material aspects

On behalf of the Board of Directors

Robert Viswanathan Chandran  
Chairman and Chief Executive Officer

Fuminobu Oda  
Director

BY ORDER OF THE BOARD

Robert Viswanathan Chandran  
Executive Chairman  
10<sup>th</sup> August 2007

**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.**