

EXIT OFFER

in connection with

THE PROPOSED VOLUNTARY DELISTING OF CHEMOIL ENERGY LIMITED

by



DBS BANK LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196800306E)

for and on behalf of

SINGFUEL INVESTMENT PTE. LTD.

(Incorporated in the Republic of Singapore)
(UEN/Reg. No.: 200716010M)

an indirect wholly-owned subsidiary of

GlencoreXstrata

GLENCORE XSTRATA PLC

(Incorporated in Jersey)
(Company Registration No.: 107710)

to acquire all of the issued ordinary shares in the capital of



CHEMOIL ENERGY LIMITED

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

other than those already owned, controlled or agreed to be acquired by Singfuel Investment Pte. Ltd.

.....

If you are in any doubt about the Exit Offer (as defined herein), you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

DBS Bank Ltd. is acting for and on behalf of Singfuel Investment Pte. Ltd. and does not purport to advise any Shareholder (as defined herein) or any other person.

If you have sold or transferred all your Shares (as defined herein) held through CDP (as defined herein), you need not forward this Exit Offer Letter and the accompanying FAA (as defined herein) to the purchaser or transferee, as CDP will arrange for a separate Exit Offer Letter and FAA to be sent to the purchaser or transferee. If you have sold or transferred all your Shares not deposited with CDP, you should immediately hand this Exit Offer Letter

and the accompanying FAT (as defined herein) to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The views of the Independent Chemoil Directors (as defined herein) and the IFA (as defined herein) on the Exit Offer are available in the Circular (as defined herein), which is despatched together with this Exit Offer Letter. You may wish to consider their views before taking any decision on the Exit Offer.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Exit Offer Letter.

IMPORTANT DATE AND TIME:

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE EXIT OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 29 APRIL 2014 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

Please call the DBS helpline at (65) 6878 6347 during office hours if you have any enquiries in connection with the Exit Offer or if you need assistance to complete the Acceptance Forms (as defined herein).

HIGHLIGHTS OF THE EXIT OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter.

1

Exit Offer Price of US\$0.40 in CASH for each Share

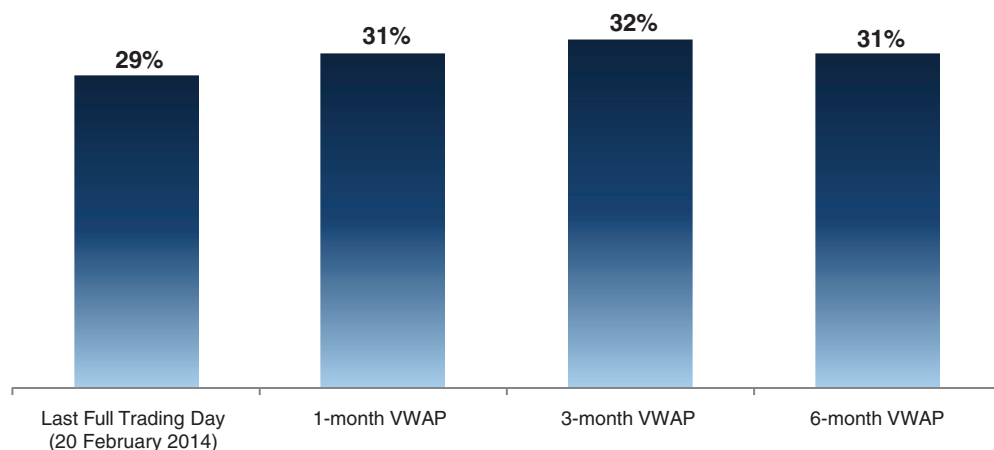
An opportunity to realise the FULL value of your investment in Chemoil, in CASH and without incurring any brokerage or other trading costs.

If your valid acceptance is received before the Exit Offer becomes unconditional, you will receive the Exit Offer Price in CASH within 10 days of the date on which the Exit Offer becomes unconditional. If your valid acceptance is received after the Exit Offer becomes unconditional, you will receive the Exit Offer Price in CASH within 10 days of receipt of your valid acceptance.

2

Opportunity for Shareholders to realise their investment in Chemoil at a premium vis-à-vis the following pricing benchmarks

Exit Offer Premiums over Benchmark Prices



Notes:

- (1) Source: Bloomberg L.P..
- (2) Percentages rounded to the nearest per cent..
- (3) The VWAP comparisons are with reference to the relevant periods up to and including the Last Full Trading Day.

3

The Exit Offer provides Shareholders with a clean cash exit opportunity, which would otherwise not be available given the low trading liquidity and low free float of the Shares

- The current free float of 10.42% is only 0.42% above the minimum requirement of 10% under Rule 723 of the SGX-ST Listing Manual.
- Low Trading Liquidity

Period preceding Trading Halt Date	1-month period	3-month period	6-month period
Average daily trading volume	62,818	52,444	49,742
Average daily trading volume as a percentage of free float	0.05%	0.04%	0.04%

4

Chemoil will be delisted if the Delisting Resolution is approved at the EGM

- Chemoil will be **DELISTED** if the Delisting Resolution is approved by Shareholders holding at least 75% of the Shares (and is not voted against by Shareholders holding 10% or more of the Shares) present and voting at the EGM.
- The Offeror holds approximately 89.20% of the Shares and intends to vote these Shares in favour of the Delisting Resolution.

5

Recommendations of the Independent Chemoil Directors

- As set out in the Circular, the Independent Chemoil Directors concur with the advice of the IFA in relation to the Exit Offer and recommend that Shareholders:
 - **VOTE IN FAVOUR** of the Delisting Resolution; and
 - either **ACCEPT** the Exit Offer or sell their Shares in the open market if they are able to obtain a price higher than the Exit Offer Price (after taking into account all brokerage commissions or transactions costs in connection with open market transactions) by doing so.
- Shareholders are encouraged to read this Exit Offer Letter and the Circular carefully and in their entirety, including the IFA's advice to the Independent Chemoil Directors and the Independent Chemoil Directors' recommendations to Shareholders.

6

If Chemoil is delisted:

- As set out in the Circular, it is likely to be difficult for Shareholders who do not accept the Exit Offer to sell their Shares in the absence of a public market for the Shares as there is no arrangement for Shareholders to exit and even if such Shareholders were able to sell their Shares, they may receive a lower price as compared to the Exit Offer Price.
- Chemoil (as an unlisted, Hong Kong-incorporated company) will be subject to the provisions of the New Companies Ordinance and will no longer be subject to the provisions of the Listing Manual. Shareholders of Chemoil at such time may wish to seek their own independent legal advice to familiarise themselves with their rights as a shareholder of a Hong Kong-incorporated company under the New Companies Ordinance.

INSTRUCTIONS TO ACCEPT THE EXIT OFFER

1

Locate the FAA (for scripless Shares) and/or FAT (for scrip-based Shares) in this package, or obtain:

- (a) the FAA from the Central Depository (Pte) Limited at (i) (from the Despatch Date to 11 April 2014) 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807 or (ii) (from 14 April 2014 onwards) 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588;
- (b) the FAT from Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- (c) electronic copies of the FAA and/or FAT from the website of the SGX-ST at www.sgx.com.

2

Fill in your details and sign the FAA¹ (for scripless Shares).

- Under **Part A**, fill in the number of Shares in the "Free Balance" of your CDP Securities Account that you wish to sell.

I/We hereby irrevocably authorise CDP to effect the transfer from my/our Securities Account with CDP of the following number of Offer Shares to the Securities Account of the Offeror or the Transferee maintained with CDP.

Part A	Number of Offer Shares now standing to the credit of the "Free Balance" of my/our Securities Account in respect of which the Exit Offer is accepted	Please indicate the number of Offer Shares you wish to tender in acceptance of the Exit Offer  [Insert number here]
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NOTE: Please refer to paragraphs 2 and 3 of page 2 of this FAA for instructions on inserting the number of Offer Shares above.

- Please fill in the applicable date and proceed to sign off on the bottom right hand corner of the FAA.

 [Insert date here] Date _____	 [Sign here] Signature(s) / Thumbprint(s) of Depositor(s) / Joint Depositors. For corporations, please sign as per your signing mandate and where appropriate, <u>the Common Seal to be affixed</u> in accordance with your Memorandum and Articles of Association or relevant constitutive documents
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3

Return the completed FAA and/or FAT together in the enclosed pre-addressed envelope so as to arrive **NO LATER THAN 5.30 p.m.** (Singapore time) on 29 April 2014 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

¹ Further instructions for completing the FAA are set out in the FAA and **Appendix 1** to the Exit Offer Letter.

INSTRUCTIONS TO APPROVE THE DELISTING RESOLUTION BY PROXY (IF A SHAREHOLDER IS UNABLE TO ATTEND THE EGM)

- Locate the proxy form.
- Complete and sign on the proxy form.
- Return the completed proxy form so as to arrive by no later than 2.30 p.m. (Singapore time) on 13 April 2014.
- **Completing and submitting the proxy form does not constitute acceptance of the Exit Offer and even if you have voted in favour of the Delisting Resolution on the proxy form or at the EGM, you must complete and submit the FAA and/or FAT in order to accept the Exit Offer and receive the Exit Offer Price.**

IMPORTANT DATES AND TIMES

Despatch of the Exit Offer Letter, the Circular and the FAA and/or FAT	31 March 2014
Last Date and Time to submit Proxy Form (if required)	2.30 p.m. (Singapore time) on 13 April 2014
EGM Date and Time	2.30 p.m. (Singapore time) on 15 April 2014 (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of Chemoil to be held at 2.00 p.m. (Singapore time) on the same day and at the same place)
Closing Date	5.30 p.m. (Singapore time) on 29 April 2014 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror)

NEED HELP?

Please call our Help Line at (65) 6878 6347 during office hours if you have any enquiries about the Exit Offer or if you need assistance to complete the Acceptance Forms.

IMPORTANT NOTICE

The information in this section is a summary of the Exit Offer and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Exit Offer Letter.

Nothing in this section is intended to be, or shall be taken as, advice, recommendation or solicitation to the Shareholders or any other party. DBS is acting for and on behalf of the Offeror and does not purport to advise any Shareholder.

Shareholders are advised to exercise caution when dealing in their Shares and refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Chemoil Directors as well as the advice of the IFA as set out in the Circular. Shareholders are encouraged to read this Exit Offer Letter and the Circular carefully and in their entirety.

IMPORTANT NOTICE TO OVERSEAS SHAREHOLDERS

Overseas Shareholders

The availability of the Exit Offer to Shareholders (as defined herein) whose addresses are outside Singapore, as shown on the Register (as defined herein), or as the case may be, in the records of CDP, may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Shareholders not resident in Singapore should inform themselves about, and observe, any applicable requirements in their own jurisdictions. For the avoidance of doubt, the Exit Offer is made to all Shareholders, including those to whom this Exit Offer Letter, the Circular, the FAA and/or the FAT, and any related documents have not been, or will not be sent, provided that this Exit Offer Letter does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Exit Offer is not being made into any jurisdiction in which the making or acceptance of the Exit Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Exit Offer to Shareholders in any such jurisdiction.

Overseas Jurisdictions

It is the responsibility of any Shareholder outside Singapore who wishes to accept the Exit Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. Such Shareholder shall be liable for the payment of any taxes, imposts, duties or other requisite payments payable. In accepting the Exit Offer, such Shareholder represents and warrants to the Offeror, DBS and CDP that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in doubt about his position, he should consult his professional adviser in the relevant jurisdiction. Overseas Shareholders (as defined herein) should read **Section 16** of this Exit Offer Letter.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Exit Offer Letter:

“Acceptance Forms”	:	The FAA and/or the FAT
“CDP”	:	The Central Depository (Pte) Limited
“Chemoil”	:	Chemoil Energy Limited
“Chemoil Directors”	:	The directors of Chemoil
“Circular”	:	The circular to Shareholders dated 31 March 2014 issued by Chemoil to the Shareholders in relation to the Delisting and the Exit Offer
“Closing Date”	:	First Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Exit Offer
“Code”	:	The Singapore Code on Take-overs and Mergers (as revised with effect from 9 April 2012)
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“DBS”	:	DBS Bank Ltd.
“Delisting”	:	The voluntary delisting of Chemoil from the Official List of the SGX-ST pursuant to Rule 1307 and Rule 1309 of the Listing Manual
“Delisting Materials”	:	This Exit Offer Letter, Acceptance Forms and any related documents
“Delisting Proposal”	:	The formal proposal dated 25 February 2014 to seek the privatisation of Chemoil by way of a Delisting
“Delisting Resolution”	:	The resolution of Shareholders in respect of the Delisting
“Despatch Date”	:	31 March 2014, being the date of despatch of this Exit Offer Letter
“EGM”	:	Has the meaning given to it in Section 1.2 of this Exit Offer Letter
“Encumbrance”	:	Mortgage, assignment of receivables, debenture, lien, hypothecation, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or other similar right, right of first refusal, restriction, third-party right or interest, any other encumbrance, condition or security interest whatsoever having similar effect

“Exit Offer”	:	The exit offer made by DBS, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in this Exit Offer Letter and the Acceptance Forms
“Exit Offer Letter”	:	This letter and any other document(s) which may be issued by DBS, for and on behalf of the Offeror, to amend, revise, supplement or update this document from time to time
“Exit Offer Price”	:	US\$0.40 in cash for each Offer Share
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares, which is applicable to Shareholders whose Offer Shares are deposited with CDP and which forms part of this Exit Offer Letter
“FAT”	:	Form of Acceptance and Transfer for Offer Shares, which is applicable to Shareholders whose Offer Shares are registered in their own names in the Register and which forms part of this Exit Offer Letter
“First Closing Date”	:	5.30 p.m. (Singapore time) on 29 April 2014
“FY”	:	Financial year ended 31 December
“Glencore”	:	Glencore Xstrata plc, being the ultimate holding company of the Offeror
“Glencore Group”	:	Glencore and its subsidiaries
“IFA”	:	PrimePartners Corporate Finance Pte. Ltd., being the independent financial adviser to the Independent Chemoil Directors in connection with the Exit Offer
“Independent Chemoil Directors”	:	The directors of Chemoil who are considered independent for the purpose of the Exit Offer
“Joint Announcement”	:	The joint announcement of the Exit Offer by the Offeror and Chemoil on the Joint Announcement Date
“Joint Announcement Date”	:	25 February 2014, being the date of the Joint Announcement
“Last Full Trading Day”	:	Has the meaning given to it in Section 3 of this Exit Offer Letter
“Latest Practicable Date”	:	24 March 2014, being the latest practicable date prior to the printing of this Exit Offer Letter
“Listing Manual”	:	The listing manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading of securities

“New Companies Ordinance”	:	Hong Kong Companies Ordinance, Chapter 622, Ord. No. 28 of 2012
“NTA”	:	Net tangible assets
“Offer Shares”	:	Has the meaning given to it in Section 2.3 of this Exit Offer Letter
“Offeror”	:	Singfuel Investment Pte. Ltd.
“Offeror Directors”	:	Has the meaning given to it in Section 18 of this Exit Offer Letter
“Options”	:	Options to subscribe for new Shares under the 2006 Share Option Scheme of Chemoil
“Overseas Shareholders”	:	The persons defined as “Overseas Shareholders” in Section 16.1 of this Exit Offer Letter
“Reference Period”	:	The period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date
“Register”	:	The register of holders of the Shares, as maintained by the Registrar
“Registrar”	:	Boardroom Corporate Services (HK) Limited
“Relevant Directors”	:	Has the meaning given to it in Section 13.1.2 of this Exit Offer Letter
“Relevant Securities”	:	Has the meaning given to it in Section 14.1.2 of this Exit Offer Letter
“Restricted Jurisdiction”	:	Has the meaning given to it in Section 16.3 of this Exit Offer Letter
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Issued and paid-up ordinary shares in the capital of Chemoil
“Shareholders”	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register
“Share Transfer Agent”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“SIC”	:	Securities Industry Council of Singapore

“Trading Halt Date”	:	Has the meaning given to it in Section 3 of this Exit Offer Letter
“US\$”	:	United States dollars, being the lawful currency of the United States of America
“VWAP”	:	Volume weighted average price
“%” or “per cent.”	:	Per centum or percentage

Acting in Concert, Associated Company. The expressions “**acting in concert**” and “**associated company**” shall have the meanings ascribed to them respectively in the Code.

Announcement, Notice, etc.. References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by DBS or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Depositors, Depository Register. The expressions “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in the Companies Act.

Exit Offer Letter. References to “**Exit Offer Letter**” shall include the FAA and FAT, unless the context otherwise requires.

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

Headings. The headings in this Exit Offer Letter are inserted for convenience only and shall be ignored in construing this Exit Offer Letter.

Rounding. Any discrepancies in the tables in this Exit Offer Letter between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Exit Offer Letter may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to “**you**”, “**your**” and “**yours**” in this Exit Offer Letter are, as the context so determines, to Shareholders.

Statutes. Any reference in this Exit Offer Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the New Companies Ordinance, the Code, the Listing Manual or any modification thereof and used in this Exit Offer Letter shall, where applicable, have the meaning assigned to that word under the Companies Act, the New Companies Ordinance, the Code, the Listing Manual or that modification, as the case may be.

Time and Date. Any reference to a time of day and date in this Exit Offer Letter shall be a reference to Singapore time and date, respectively, unless otherwise specified.

Total Number of Shares. In this Exit Offer Letter, the total number of Shares is 1,292,612,000 as at the Latest Practicable Date, based on information provided by Chemoil to the Offeror in accordance with the Code.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Exit Offer Letter are or may be forward-looking statements. Forward-looking statements include but are not limited to, those using words such as “expect”, “anticipate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor DBS undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.



DBS BANK LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196800306E)

12 Marina Boulevard
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

31 March 2014

To: The Shareholders of Chemoil Energy Limited

Dear Sir/Madam

VOLUNTARY DELISTING OF CHEMOIL ENERGY LIMITED – EXIT OFFER LETTER

1. INTRODUCTION

- 1.1 Delisting Proposal.** On 25 February 2014, the Offeror and Chemoil jointly announced that the Offeror had presented to the board of directors of Chemoil the Delisting Proposal to seek the Delisting.
- 1.2 EGM.** Chemoil is convening an extraordinary general meeting (the “**EGM**”) scheduled to be held on 15 April 2014 to seek the approval of the Shareholders for the Delisting.
- 1.3 Exit Offer Letter and Circular.** This Exit Offer Letter contains the formal Exit Offer by DBS, for and on behalf of the Offeror, to acquire all the Offer Shares. This Exit Offer Letter, together with the Acceptance Forms, shall be despatched to the Shareholders on the Despatch Date.

A copy of the Circular issued by Chemoil to the Shareholders in relation to the Delisting is despatched together with this Exit Offer Letter and the relevant Acceptance Forms.

Electronic copies of this Exit Offer Letter and the Circular are also available on the website of the SGX-ST at www.sgx.com.

- 1.4 Caution.** Please read this Exit Offer Letter carefully in its entirety, in conjunction with the Circular, which sets out (i) the advice of PrimePartners Corporate Finance Pte. Ltd., the IFA to the Independent Chemoil Directors and (ii) the recommendations of the Independent Chemoil Directors on the Exit Offer.

2. THE EXIT OFFER

- 2.1 Exit Offer Terms.** For and on behalf of the Offeror, DBS hereby offers to acquire all the Offer Shares on the following basis:

For each Offer Share: US\$0.40 in cash

- 2.2 Aggregate Consideration Payable.** The aggregate Exit Offer Price payable in cash to each Shareholder for the Offer Shares held by such Shareholder will be rounded down to the nearest whole cent.

2.3 Offer Shares. The Exit Offer is extended to:

- 2.3.1** all the Shares held by the Shareholders, other than those Shares already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”); and
- 2.3.2** all new Shares unconditionally issued or to be issued pursuant to the valid exercise, prior to the Closing Date, of any Options to subscribe for new Shares under the 2006 Share Option Scheme of Chemoil.

For the purpose of the Exit Offer, the expression “**Offer Shares**” shall include all new Shares unconditionally issued or to be issued pursuant to the valid exercise of the Options on or prior to the Closing Date.

2.4 No Encumbrances. The Offer Shares will be acquired:

- 2.4.1** fully paid;
- 2.4.2** free from any Encumbrances; and
- 2.4.3** together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions (if any) which may be declared, paid or made by Chemoil, on or after the Joint Announcement Date.

If any dividend, other distribution or return of capital is declared, made or paid by Chemoil on or after the Joint Announcement Date to a Shareholder who accepts or has accepted the Exit Offer, the Offeror reserves the right to reduce the Exit Offer Price payable to such accepting Shareholder by the amount of such dividend, distribution or return of capital.

2.5 Conditions to Delisting and Exit Offer. The Delisting and the Exit Offer are conditional upon:

- 2.5.1** the SGX-ST agreeing to the application by Chemoil to delist from the Official List of the SGX-ST; and
- 2.5.2** the Delisting Resolution being passed at the EGM. Pursuant to Rule 1307 of the Listing Manual, the Delisting Resolution is considered passed if it is approved by a majority of at least 75 per cent. of the total number of Shares (excluding treasury shares) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM, and if the Delisting Resolution has not been voted against by 10 per cent. or more of the total number of Shares (excluding treasury shares) held by the Shareholders present and voting, on a poll, either in person or by proxy, at the EGM.

On 5 March 2014, Chemoil submitted an application to the SGX-ST to delist from the Official List of the SGX-ST. On 20 March 2014, the SGX-ST responded to Chemoil that it has no objection to the Delisting, subject to (i) compliance with the Listing Manual requirements and (ii) approval of the Delisting by Shareholders at the EGM in compliance with the requirements of Rule 1307 of the Listing Manual. However, the SGX-ST’s decision is not to be taken as an indication of the merits of the Delisting.

Under Rule 1307 of the Listing Manual, all Shareholders (including the Offeror, parties acting in concert with the Offeror who hold Shares and the Chemoil Directors) are entitled to vote on the Delisting Resolution.

As at the Latest Practicable Date, the Offeror and parties acting in concert with the Offeror hold in aggregate 1,152,974,594 Shares, representing approximately 89.20 per cent. of the issued share capital of Chemoil. **The Offeror intends to vote all of these Shares in favour of the Delisting Resolution at the EGM.**

The Shareholders may accept the Exit Offer in full or in part. **The Exit Offer is not conditional upon a minimum number of acceptances being received by the Offeror.**

3. BENCHMARKING THE EXIT OFFER PRICE

Set out below is the premium of the Exit Offer Price over the benchmark prices of the Shares up to, and including, 20 February 2014, being the last full day of trading in the Shares on the SGX-ST preceding the Joint Announcement Date (the “**Last Full Trading Day**”). Trading in the Shares on the SGX-ST was halted on 21 February 2014 (the “**Trading Halt Date**”), in advance of the Joint Announcement:

Description		Benchmark Price (US\$) ⁽¹⁾	Premium over/ (discount to) Benchmark Price (%) ⁽²⁾
(a)	Last transacted price per Share on 20 February 2014, being the Last Full Trading Day.	0.310	29
(b)	VWAP of the Shares for the one-month period preceding the Trading Halt Date.	0.305	31
(c)	VWAP of the Shares for the three-month period preceding the Trading Halt Date.	0.302	32
(d)	VWAP of the Shares for the six-month period preceding the Trading Halt Date.	0.305	31

Notes:

(1) Source: Bloomberg L.P., rounded to the nearest three decimal places.

(2) Rounded to the nearest per cent.

4. OPTIONS

4.1 As at the Latest Practicable Date, there are 47,068,274 Options in issue to subscribe for 47,068,274 Shares which remain outstanding, based on information provided by Chemoil to the Offeror in accordance with the Code.

4.2 Under the rules of the 2006 Share Option Scheme of Chemoil, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Options (although, for the avoidance of doubt, the Exit Offer will be extended to all new Shares issued or to be issued pursuant to the valid exercise of the Options on or prior to the close of the Exit Offer).

5. WARRANTY

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions (if any) which may be declared, paid or made by Chemoil on or after the Joint Announcement Date.

6. DURATION OF THE EXIT OFFER

If the Delisting Resolution is approved by Shareholders at the EGM, the Exit Offer will be open for acceptance by the Shareholders for a period of at least 14 days after the date of announcement of the Shareholders' approval of the Delisting.

Accordingly, the Exit Offer will close at 5.30 p.m. (Singapore time) on 29 April 2014 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

If the Exit Offer is extended, an announcement will be made of such extension and the Exit Offer will remain open for acceptance for such period as may be announced.

7. RATIONALE FOR THE DELISTING PROPOSAL AND EXIT OFFER

7.1 Opportunity for Shareholders to Realise their Investment at an Attractive Valuation.

The Exit Offer Price represents a premium of approximately 29 per cent. over the last transacted price per Share of US\$0.310 on the Last Full Trading Day.

When compared to the benchmark prices of the Shares up to and including the Last Full Trading Day of the Shares on the SGX-ST preceding the Trading Halt Date, the Exit Offer Price represents a premia of approximately 31 per cent., 32 per cent., and 31 per cent. over the VWAP per Share for the one-month, three-month and six-month periods, respectively.

The Exit Offer allows Shareholders to realise the value of their investments for cash at a premium over the historical traded prices of the Shares without incurring brokerage or other trading costs.

7.2 Low Free Float and Low Trading Liquidity of Shares.

As at the Latest Practicable Date, the Offeror has a direct interest in 1,152,974,594 Shares, which represents approximately 89.20 per cent. of the issued share capital of Chemoil. Chemoil thus has a free float¹ of only 134,686,965 Shares, which represents approximately 10.42 per cent. of the issued share capital of Chemoil. Under Rule 723 of the Listing Manual, at least 10 per cent. of the total number of issued Shares (excluding treasury shares) must at all times be held by the public, failing which the SGX-ST may suspend trading of the Shares.

¹ The free float of Chemoil represents the total number of Shares which are held by the public.

Consequently, the trading liquidity of Shares has been low. Set out below is the average daily trading volume of Shares for the one-month, three-month and six-month periods preceding the Trading Halt Date.

Period preceding Trading Halt Date	1-month period	3-month period	6-month period
Average daily trading volume	62,818	52,444	49,742
Average daily trading volume as a percentage of free float (%)	0.05	0.04	0.04

As stated in **Section 7.3** below, it is unlikely that Chemoil will raise equity capital in the foreseeable future and it is therefore unlikely that the free float will increase through the issuance of new Shares.

The Exit Offer therefore represents a clean cash exit opportunity for Shareholders to realise their entire investment in the Shares at a premium over the market prices of the Shares prior to the Joint Announcement Date, an opportunity that would otherwise not be available due to the low trading liquidity and low free float of the Shares.

7.3 No Need for Access to Capital Markets. Since its initial public offering in 2006, Chemoil has not carried out any fund-raising exercise on the SGX-ST and is unlikely to require access to the Singapore capital markets to finance its operations in the foreseeable future.

7.4 Compliance Costs of Maintaining Listing. In maintaining its listed status, Chemoil incurs compliance and associated costs. The Delisting would allow Chemoil to dispense with expenses relating to the maintenance of a listed status and focus its resources on its business operations.

7.5 Greater Management Flexibility. The Delisting will provide the management of Chemoil with the flexibility to manage and develop the existing businesses of Chemoil while exploring opportunities without the attendant cost, regulatory restrictions and compliance issues associated with its listed status on the SGX-ST.

8. THE OFFEROR'S INTENTIONS IN RELATION TO CHEMOIL

8.1 Offeror's Intention to Vote on Delisting Resolution

The Offeror does not intend to maintain or support any action taken or to be taken to maintain the present listing status of Chemoil. Accordingly, the Offeror intends to vote all of the 1,152,974,594 Shares, representing approximately 89.20 per cent. of the issued Shares, held by it in favour of the Delisting Resolution at the EGM, as stated in **Section 2.5** of this Exit Offer Letter.

Shareholders should note that in the event the conditions set out in Sections 2.5.1 and 2.5.2 are satisfied, Chemoil will be delisted from the Official List of the SGX-ST on or after the close of the Exit Offer, irrespective of the number of acceptances received by the Offeror in respect of the Exit Offer.

If Chemoil is delisted from the Official List of the SGX-ST, Chemoil (as a Hong Kong-incorporated company) will be subject to the provisions of the New Companies Ordinance and will no longer be subject to the provisions of the Listing Manual. Shareholders of Chemoil at such time may wish to seek their own independent legal advice to familiarise themselves with their rights as a shareholder of a Hong Kong-incorporated company under the New Companies Ordinance.

8.2 Offeror's Future Plans for Chemoil

The Offeror intends for Chemoil to continue its existing business activities and there are no plans to (i) introduce any major changes to the business of Chemoil or the operations of any of its subsidiaries, (ii) re-deploy any of the fixed assets of Chemoil or (iii) discontinue the employment of any of the existing employees of Chemoil and/or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to Chemoil which may present themselves and which it may regard to be in the best interests of Chemoil.

8.3 Compulsory Acquisition

Pursuant to Section 693 of the New Companies Ordinance, if the Offeror (together with its associates and nominees) acquires at least 90 per cent. in number of the Offer Shares, by virtue of valid acceptances of the Exit Offer², the Offeror may, by giving notice to the holders of Offer Shares, compulsorily acquire all the Offer Shares which it has not so acquired on the same terms as those offered under the Exit Offer unless, upon an application being made to the Hong Kong court by a Shareholder within a specified time, the court thinks fit to order otherwise.

In the event that the Offeror becomes entitled to exercise its right under the New Companies Ordinance, the Offeror intends to exercise its rights of compulsory acquisition. In such event, Chemoil will become a wholly-owned subsidiary of the Offeror pursuant to such compulsory acquisition.

In addition, pursuant to Section 700 of the New Companies Ordinance, if the Offeror (together with its associates and nominees) acquires, by virtue of valid acceptances of the Exit Offer², some but not all of the Offer Shares and controls (as defined in Section 700 of the New Companies Ordinance) at least 90 per cent. in number of all the Shares before the Closing Date, the holder of any Offer Shares who has not accepted the Exit Offer on or before the Closing Date has the right to require the Offeror to acquire its Offer Shares on the same terms as those offered under the Exit Offer or on such other terms as may be agreed, or as the Hong Kong court, on the application of the holder of the Offer Shares or the Offeror, thinks fit to order.

Shareholders are advised to seek their own independent legal advice in relation to the compulsory acquisition provisions under the New Companies Ordinance.

² The term “**valid acceptances**” means acceptances in accordance with the New Companies Ordinance.

9. COURSES OF ACTION AVAILABLE TO THE SHAREHOLDERS

The Shareholders can choose from the following two courses of action:

Action	1. Accept the Exit Offer	2. Not Accept the Exit Offer
What you need to do	You should complete, sign and return the relevant FAA and/or FAT which are enclosed with this Exit Offer Letter. Please follow the provisions and instructions stated in this Exit Offer Letter, the Circular and the relevant FAA and/or FAT. The procedures for acceptance and settlement of the Exit Offer are set out in Appendix 1 to this Exit Offer Letter.	You do not have to take any action. If you hold Shares that are deposited with CDP, one share certificate representing your delisted Shares will be forwarded, by ordinary post and at your own risk, to your address as such address appears in the records of CDP for your physical safekeeping, after Chemoil has been delisted from the Official List of the SGX-ST. Please refer to Section 5.1 of the Letter to the Shareholders in the Circular.
Outcome	You will receive the Exit Offer Price for each Share you tender in acceptance of the Exit Offer to the Offeror without incurring brokerage or other trading costs.	You will remain a Shareholder. In the event that Chemoil is delisted from the Official List of the SGX-ST, you will be left holding <u>unquoted Shares</u> (with Chemoil becoming an <u>unlisted</u> company).
Duration	You can accept the Exit Offer during the period commencing from 31 March 2014 and ending at 5.30 p.m. (Singapore time) on the Closing Date.	Not relevant.

10. PROCEDURES FOR ACCEPTANCE

Appendix 1 to this Exit Offer Letter sets out the procedures for acceptance of the Exit Offer.

11. DESCRIPTION OF THE GLENCORE GROUP AND THE OFFEROR

- 11.1 Glencore Group.** The Glencore Group is one of the world's largest global diversified natural resource companies. As a leading integrated producer and marketer of commodities with a well-balanced portfolio of diverse industrial assets, the Glencore Group is strongly positioned to capture value at every stage of the supply chain, from sourcing materials deep underground to delivering products to an international customer base.

The Glencore Group's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries. The Glencore Group's diversified operations comprise over 150 mining and metallurgical sites, offshore oil production assets, farms and agricultural facilities. The Glencore Group employs approximately 190,000 people, including contractors.

Appendix 2 to this Exit Offer Letter sets out certain additional information on Glencore and the Glencore Group. Information on Glencore and the Glencore Group is also available from Glencore's website at www.glencorexstrata.com.

11.2 The Offeror. The Offeror is a company incorporated in Singapore on 30 August 2007. The principal activity is that of an investment holding company. The Offeror is an indirect wholly-owned subsidiary of Glencore.

Appendix 3 to this Exit Offer Letter sets out certain additional information on the Offeror.

12. DESCRIPTION OF CHEMOIL

Chemoil is a company incorporated in Hong Kong and is listed on the Mainboard of the SGX-ST. As one of the marine fuel industry's leading physical suppliers, Chemoil delivers energy through controlling all key stages of the marine fuel supply chain, providing exceptional value to its customers and maximising profitability by converting expenses to assets – acquiring, developing and controlling physical infrastructure within the supply chain.

Appendix 4 to this Exit Offer Letter sets out certain additional information on Chemoil. Information on Chemoil is also available from its website at www.chemoil.com.

13. RULINGS AND CONFIRMATIONS FROM THE SIC

13.1 SIC Rulings and Confirmations. An application was made by the Offeror to SIC to seek certain rulings in relation to the Delisting Proposal and the Exit Offer. The SIC ruled on 7 February 2014, *inter alia*, that:

13.1.1 the Exit Offer is exempted from compliance with the following provisions of the Code:

- (i) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;
- (ii) Rule 22 on the offer timetable;
- (iii) Rule 28 on acceptances; and
- (iv) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to the following conditions:

- (I) the Circular setting out:
 - (a) the consolidated NTA per share of the group comprising Chemoil, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Circular; and
 - (b) particulars of all known material changes as at the latest practicable date which may affect the consolidated NTA per Share referred to in **Section 13.1.1(I)(a)** above or a statement that there are no such known material changes; and
- (II) the Exit Offer remaining open for at least:
 - (a) 21 days after the date of the despatch of the Exit Offer Letter, if the Exit Offer Letter is despatched after the Shareholders' approval of the Delisting Resolution at the EGM has been obtained; or

- (b) 14 days after the date of the announcement of the Shareholders' approval of the Delisting Resolution if the Exit Offer Letter is despatched on the same date as the Circular; and

13.1.2 the following Chemoil Directors, Mr Alexander Frank Beard, Mr Mark Jonathan Catton and Mr Warren Michael Blount (the "**Relevant Directors**") are exempted from the requirement to make a recommendation on the Exit Offer to the Shareholders as the Relevant Directors face a conflict of interests in view of them being directors of the Offeror and senior executives of the Glencore Group. Nevertheless, the Relevant Directors must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents issued by, or on behalf of, Chemoil to the Shareholders in connection with the Exit Offer.

14. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

14.1 Shareholdings and Dealings

14.1.1 The Offeror and its Concert Parties. Appendix 9 to this Exit Offer Letter sets out:

- (i) the number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror as at the Latest Practicable Date; and
- (ii) the dealings in the Shares by the Offeror and parties acting or deemed to be acting in concert with the Offeror during the Reference Period.

14.1.2 No Other Holdings and Dealings. Save as disclosed in this Exit Offer Letter, none of the Offeror and parties acting or deemed to be acting in concert with the Offeror owns, controls or has agreed to acquire or has dealt for value in any (i) Shares, (ii) securities which carry voting rights in Chemoil and (iii) convertible securities, warrants, options or derivatives in respect of such Shares or securities which carry voting rights in Chemoil (collectively, the "**Relevant Securities**") during the Reference Period.

14.1.3 Other Arrangements. As at the Latest Practicable Date, save as disclosed in this Exit Offer Letter, none of the Offeror and parties acting or deemed to be acting in concert with the Offeror has (i) granted a security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold) or (iii) lent any Relevant Securities to another person.

14.2 No Irrevocable Undertakings. None of the Offeror and parties acting or deemed to be acting in concert with the Offeror has received any irrevocable undertaking from any party to accept or reject the Exit Offer.

15. CONFIRMATION OF FINANCIAL RESOURCES

DBS, as financial adviser to the Offeror in connection with the Exit Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Exit Offer Price payable by the Offeror for all the Offer Shares to be acquired by the Offeror pursuant to full acceptances of the Exit Offer.

16. OVERSEAS SHAREHOLDERS

- 16.1 Overseas Shareholders.** The availability of the Exit Offer to Shareholders whose addresses are outside Singapore, as shown on the Register, or as the case may be, in the records of CDP (each, an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions. For the avoidance of doubt, the Exit Offer is made to all Shareholders, including those to whom the Delisting Materials have not been, or will not be sent, provided that this Exit Offer Letter does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Exit Offer is not being made into any jurisdiction in which the making or acceptance of the Exit Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Exit Offer to Shareholders in any such jurisdiction.
- 16.2 Copies of the Delisting Materials.** Shareholders (including Overseas Shareholders) may obtain copies of the Delisting Materials during normal business hours and up to the Closing Date from the Offeror through The Central Depository (Pte) Limited at (i) (from the Despatch Date to 11 April 2014) 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807 or (ii) (from 14 April 2014 onwards) 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, Shareholders (including Overseas Shareholders) may write in to the Offeror at Singfuel Investment Pte. Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 to request for the Delisting Materials to be sent to an address in Singapore by ordinary post at the Overseas Shareholder’s own risk, up to five Market Days prior to the Closing Date.
- 16.3 Request for Delisting Materials.** In requesting for the Delisting Materials, the Overseas Shareholder represents and warrants to the Offeror and DBS that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

Copies of the Delisting Materials are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the law of that jurisdiction (each, a “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Exit Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulations) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

- 16.4 Notice.** The Offeror and DBS each reserves the right to notify any matter, including the fact that the Exit Offer has been made, to any or all Shareholders with a registered address outside Singapore by announcement or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

16.5 Overseas Jurisdiction. It is the responsibility of any Shareholder outside Singapore who wishes to accept the Exit Offer to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. Such Overseas Shareholder shall be liable for the payment of any taxes, imposts, duties or other requisite payments payable. In accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror and DBS that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

17. GENERAL INFORMATION

17.1 Valid Acceptances. The Offeror and DBS reserve the right to treat acceptances of the Exit Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated herein or in the Acceptance Forms, as the case may be, or if made otherwise than in accordance with the provisions herein and instructions printed on the Acceptance Forms.

17.2 Governing Law and Jurisdiction. The Exit Offer, this Exit Offer Letter, the Acceptance Forms and all acceptances of the Exit Offer and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each accepting Shareholder submit to the non-exclusive jurisdiction of the Singapore courts.

17.3 No Third Party Rights. Unless expressly provided to the contrary in this Exit Offer Letter and the Acceptance Forms, a person who is not a party to any contracts made pursuant to the Exit Offer, this Exit Offer Letter and the Acceptance Forms has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

17.4 Accidental Omission. Accidental omission to despatch this Exit Offer Letter, the Acceptance Forms or any notice or announcement required to be given under the terms of the Exit Offer or any failure to receive the same by any person to whom the Exit Offer is made or should be made, shall not invalidate the Exit Offer in any way.

17.5 Independent Advice. DBS is acting for and on behalf of the Offeror and does not purport to advise the Shareholders. The views of the Independent Chemoil Directors and the IFA on the Exit Offer are available in the Circular. Shareholders may wish to consider their advice before taking any action in relation to this Exit Offer.

17.6 General Information. Appendix 10 to this Exit Offer Letter sets out additional general information relating to the Exit Offer.

18. RESPONSIBILITY STATEMENT

The directors of the Offeror (the “**Offeror Directors**”) (including any who may have delegated detailed supervision of the preparation of this Exit Offer Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Exit Offer Letter are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Exit Offer Letter, and the Offeror Directors jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to Chemoil), the sole responsibility of the Offeror Directors has been to ensure that, through reasonable enquires, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Exit Offer Letter.

Yours faithfully,
DBS BANK LTD.

For and on behalf of
SINGFUEL INVESTMENT PTE. LTD.

PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER

1. EXIT OFFER

1.1 Depositors

1.1.1 Depositors whose Securities Accounts are credited with Offer Shares. If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive this Exit Offer Letter together with the FAA. If you do not receive the FAA, you may obtain such FAA upon production of satisfactory evidence that you are a Shareholder from The Central Depository (Pte) Limited at (i) (from the Despatch Date to 11 April 2014) 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807 or (ii) (from 14 April 2014 onwards) 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

Acceptance. If you wish to accept the Exit Offer, you should:

(1) complete the FAA in accordance with this Exit Offer Letter and the instructions printed on the FAA. In particular:

(a) Acceptance in respect of all Offer Shares

If you wish to accept the Exit Offer in respect of **all** Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you can either state “All” or insert the number of Offer Shares already standing to the credit of the “Free Balance” of your Securities Account in respect of which the Exit Offer is accepted in Part A of the FAA.

(b) Acceptance in respect of some Offer Shares

If you wish to accept the Exit Offer in respect of some but not all Offer Shares standing to the credit of the “Free Balance” of your Securities Account, please insert in Part A on page 1 of the FAA the number of Offer Shares already standing to the credit of the “Free Balance” of your Securities Account in respect of which the Exit Offer is accepted.

(c) No Acceptance

If you do not wish to accept the Exit Offer, you do not need to take any action.

If you leave Part A on page 1 of the FAA blank or specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account as of 5.00 p.m. (Singapore time) on the date of receipt of the FAA by CDP (the “**Date of Receipt**”), or in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt must fall on or before the Closing Date), you shall be deemed to have accepted the Exit Offer in respect of all the Offer Shares already standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date;

- (2) sign the FAA in accordance with this **Appendix 1** and the instructions printed on the FAA; and
- (3) deliver the completed and signed FAA:

(a) **by hand** to:

- (i) (from the Despatch Date to 11 April 2014) Singfuel Investment Pte. Ltd. c/o The Central Depository (Pte) Limited, 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807; or
- (ii) (from 14 April 2014 to the Closing Date) Singfuel Investment Pte. Ltd. c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or

(b) **by post**, in the enclosed pre-addressed envelope at your own risk, to Singfuel Investment Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in either case so as to arrive no later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside Singapore.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Exit Offer Letter and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Exit Offer Letter and FAA to be sent to the purchaser or transferee.

If you are a depository agent as defined under Section 130A of the Companies Act, you may accept the Exit Offer via the SGX-SSH Service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents ("**Electronic Acceptance**"). Such Electronic Acceptances must be submitted **no later than 5.30 p.m. (Singapore time) on the Closing Date**. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Exit Offer Letter as if the FAA has been completed and delivered to CDP.

1.1.2 Depositors whose Securities Accounts will be credited with Offer Shares. If you have purchased Offer Shares on the SGX-ST after the Despatch Date, and such Offer Shares are in the process of being credited to the "Free Balance" of your Securities Account, you should also receive this Exit Offer Letter together with the FAA. If you do not receive the FAA, you may obtain such FAA upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST from The Central Depository (Pte) Limited at (i) (from the Despatch Date to 11 April 2014) 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807; or (ii) (from 14 April 2014 onwards) 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

Acceptance. If you wish to accept the Exit Offer, you should, after the “Free Balance” of your Securities Account has been credited with such number of Offer Shares:

(1) complete and sign the FAA in accordance with this **Appendix 1** and the instructions printed on the FAA; and

(2) deliver the completed and signed FAA:

(a) **by hand** to:

(i) (from the Despatch Date to 11 April 2014) Singfuel Investment Pte. Ltd. c/o The Central Depository (Pte) Limited, 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807;

(ii) (from 14 April 2014 to the Closing Date) Singfuel Investment Pte. Ltd. c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or

(b) **by post**, in the enclosed pre-addressed envelope at your own risk, to Singfuel Investment Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in either case so as to arrive no later than 5.30 p.m. (Singapore time) on the Closing Date.

Rejection. If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been credited to the “Free Balance” of your Securities Account (as, for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected and none of CDP, DBS and the Offeror accepts any responsibility or liability for the consequences of such a rejection.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by the CDP on the Closing Date). None of CDP, DBS and the Offeror accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

1.1.3 Depositors whose Securities Accounts are and will be credited with Offer Shares. If you have Offer Shares credited to your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to your Securities Account, you may accept the Exit Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Exit Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only after the “Free Balance” of your Securities Account has been credited with such number of Offer Shares.

1.1.4 General. No acknowledgement will be given for submissions of the FAA made by hand or by post to CDP or deposited into boxes located at CDP’s premises. All communications, notices, documents and remittances to be delivered or sent to you will be sent by ordinary post at your risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries

relating to the number of Offer Shares credited to your Securities Account. You can verify such number through CDP Online if you have registered for the CDP Internet Access Service or through CDP Phone Service if you have a T-PIN.

- 1.1.5 Suspense Account.** Upon receipt of the FAA which is complete and valid in all respects, CDP will transfer the Offer Shares in respect of which you have accepted the Exit Offer from the “Free Balance” of your Securities Account to a “Suspense Account”. Such Offer Shares will be held in the “Suspense Account” until the consideration for such Offer Shares has been despatched to you.
- 1.1.6 Exit Offer Notification.** If the Delisting Resolution is passed at the EGM, and if you have accepted the Exit Offer in accordance with the provisions contained herein and in the FAA, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Exit Offer Price by way of a US\$ cheque drawn on a bank in Singapore for the appropriate amount, or in such manner as you may have agreed with CDP for the payment of any cash distributions, at your own risk.
- 1.1.7 Return of Offer Shares.** In the event that the requisite approval of Shareholders of the Delisting Resolution is not obtained, the relevant number of Offer Shares in respect of which you have accepted the Exit Offer will be transferred to the “Free Balance” of your Securities Account as soon as possible but in any event no later than 14 days from the lapse of the Exit Offer.
- 1.1.8 No Securities Account.** If you do not have any existing Securities Account in your own name at the time of acceptance of the Exit Offer, your acceptance as contained in the FAA will be rejected.

1.2 Scrip Holders

- 1.2.1 Shareholders whose Offer Shares are not deposited with CDP.** If you hold Offer Shares which are not deposited with CDP (“**in scrip form**”), you should receive this Exit Offer Letter together with the FAT.

- 1.2.2 Acceptance.** If you wish to accept the Exit Offer, you should:

- (1) complete the FAT in accordance with this Exit Offer Letter and the instructions printed on the FAT. In particular:

(a) Acceptance in respect of all Offer Shares

If you wish to accept the Exit Offer in respect of **all** Offer Shares represented by the share certificate(s) accompanying the FAT, you can either state “All” or insert the number of Offer Shares in respect of which the Exit Offer is accepted in Part A on page 1 of the FAT and state in Part B the share certificate number(s) of the relevant share certificate(s).

(b) Acceptance in respect of some Offer Shares

If you wish to accept the Exit Offer in respect of some but not all Offer Shares represented by the share certificate(s) accompanying the FAT, please insert in Part A on page 1 of the FAT the number of Offer Shares in respect of which the Exit Offer is accepted and state in Part B the share certificate number(s) of the relevant share certificate(s).

(c) **No Acceptance**

If you do not wish to accept the Exit Offer, you do not need to take any action.

If you leave Part A of the FAT blank or specify a number in Part A of the FAT which exceeds the number of Offer Shares represented by the attached share certificate(s), you shall be deemed to have accepted the Exit Offer in respect of all the Offer Shares represented by the share certificate(s) accompanying the FAT;

- (2) sign the FAT in accordance with this **Appendix 1** and the instructions printed on the FAT; and
- (3) deliver:
 - (a) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);
 - (b) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror relating to the Offer Shares in respect of which you wish to accept the Exit Offer. If you are recorded in the Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure Chemoil to issue such share certificate(s) in accordance with the Memorandum and Articles of Association of Chemoil and then deliver such share certificate(s) in accordance with the procedures set out in this Exit Offer Letter; and
 - (c) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of transferee left blank (to be completed by the Offeror or a person authorised by it),

by hand to Singfuel Investment Pte. Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or **by post**, in the enclosed pre-addressed envelope at your own risk, to Singfuel Investment Pte. Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, **in either case so as to arrive no later than 5.30 p.m. (Singapore time) on the Closing Date.**

If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

- 1.2.3 Receipt.** No acknowledgement of receipt of any FAT, share certificate(s) or any other document(s) will be given by the Offeror or the Share Transfer Agent.

2. SETTLEMENT

2.1 When Settlement is Due. Subject to the Exit Offer becoming or being declared to be unconditional in all respects in accordance with its terms and the receipt by the Offeror from accepting Shareholders of all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with such requirements as may be stated in this Exit Offer Letter and the Acceptance Forms and, in the case of a Depositor, the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of Offer Shares tendered in acceptance of the Exit Offer are standing to the credit of the "Free Balance" of his Securities Account at the relevant time, remittances in the form of cheques in US\$ drawn on a bank in Singapore for the appropriate amount will be despatched by ordinary post (or by such other manner as an accepting Depositor may have agreed with CDP for payment of any cash distributions), pursuant to Rule 30 of the Code, to the accepting Shareholders (or in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) at the own risk of the accepting Shareholders, as soon as practicable, and in any case:

2.1.1 in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received on or before the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within 10 days of that date; or

2.1.2 in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received after the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Exit Offer closes, within 10 days of the date of such receipt.

2.2 Notification from CDP. CDP will also send by ordinary post to accepting Depositors at their respective mailing addresses as maintained in the records of CDP, and at their own risk, notification letters showing the number of Offer Shares which have been debited from their respective Securities Accounts.

3. GENERAL

3.1 Disclaimer. The Offeror, DBS, CDP and the Share Transfer Agent (as the case may be) will be entitled, at their sole and absolute discretion, to reject any acceptance which does not comply with the terms of this Exit Offer Letter and the relevant Acceptance Forms or which is otherwise incomplete, incorrect or invalid in any respect. If you wish to accept the Exit Offer, it is your responsibility to ensure that the FAA and/or the FAT, as the case may be, is properly completed in all respects, submitted with original signature(s) and that all required documents are provided. Any decision to reject any acceptance will be final and binding and none of the Offeror, DBS, CDP and the Share Transfer Agent accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

3.2 Discretion. The Offeror and DBS reserve the right to treat acceptances of the Exit Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Exit Offer Letter or in the FAA and/or the FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Exit Offer Letter and in the FAA and/or the FAT, as the case may be.

3.3 Scrip and Scripless Offer Shares. If you hold some Offer Shares in scrip form and others with CDP, you should complete the FAT for the former and the FAA for the latter in accordance with the respective procedures set out in this **Appendix 1** if you wish to accept the Exit Offer in respect of all such Offer Shares.

- 3.4 Acceptances Received on Saturday, Sunday or Public Holiday.** Acceptances in the form of the FAA and/or FAT received by the Offeror, CDP and/or the Share Transfer Agent, on a Saturday, Sunday or public holiday will only be processed and validated on the next business day.
- 3.5 Deposit Time.** If you hold Offer Shares in scrip form, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Exit Offer if you were to deposit your share certificate(s) with CDP after the Despatch Date. If you wish to accept the Exit Offer in respect of such Offer Shares, you should complete the FAT and follow the procedures set out in **Paragraph 1.2** of this **Appendix 1**.
- 3.6 Correspondences.** All communications, notices, documents and remittances to be delivered or sent to you (or in the case of scrip holders, your designated agent or, in the case of accepting joint Shareholders who have not designated any agent, to the one first named in the Register, as the case may be) will be sent by ordinary post to your address as it appears in the records of CDP or the Registrar, as the case may be, at the risk of the person entitled thereto (or for the purposes of remittances only, to such different name and addresses as may be specified by you in the FAT, as the case may be, at your own risk).
- 3.7 Evidence of Title.** Delivery of the duly completed and signed FAA and/or FAT to CDP and/or the Share Transfer Agent and/or the Offeror, as the case may be, shall be conclusive evidence in favour of CDP, the Share Transfer Agent and/or the Offeror of the right and title of the person signing it to deal with the same and with the Shares to which it relates.

ADDITIONAL INFORMATION ON GLENCORE

1. DIRECTORS

The names, addresses and descriptions of the directors of Glencore as at the Latest Practicable Date are as follows:

Name	Address	Description
Dr Anthony Hayward	Baarermattstrasse 3, 6341 Baar, Switzerland	Interim Independent Non-Executive Chairman
Mr Ivan Glasenberg	Baarermattstrasse 3, 6341 Baar, Switzerland	Chief Executive Officer
Mr Peter Coates AO	Baarermattstrasse 3, 6341 Baar, Switzerland	Non-Executive Director
Mr Leonhard Fischer	Baarermattstrasse 3, 6341 Baar, Switzerland	Independent Non-Executive Director
Mr Peter Grauer	Baarermattstrasse 3, 6341 Baar, Switzerland	Independent Non-Executive Director
Mr William Macaulay	Baarermattstrasse 3, 6341 Baar, Switzerland	Independent Non-Executive Director
Mr John Mack	Baarermattstrasse 3, 6341 Baar, Switzerland	Independent Non-Executive Director

2. FINANCIAL INFORMATION

2.1 Financial Information. Set out below are certain financial information extracted from the Glencore Group's annual reports for FY2011, FY2012 and FY2013 respectively. The financial information for FY2011, FY2012 and FY2013 should be read in conjunction with the audited consolidated financial statements of the Glencore Group for FY2011, FY2012 and FY2013 respectively and the accompanying notes as set out in the relevant annual reports.

	FY	FY	FY
	2013	2012	2011
	US\$	US\$	US\$
Turnover	232,694,000,000	214,436,000,000	186,152,000,000
Exceptional items	(11,068,000,000)	(2,060,000,000) ⁽¹⁾	(12,000,000)
Profit/loss before income taxes	(7,044,000,000)	1,076,000,000	4,004,000,000
Profit/loss after income taxes	(7,298,000,000)	1,152,000,000	4,268,000,000
Minority interest	104,000,000	148,000,000	220,000,000
Net earnings per share (basic)	(0.67)	0.14	0.72

Note:

- (1) This figure has been restated as a result of the adoption of new and revised standards as detailed in **Appendix 6** to this Exit Offer Letter and therefore does not correspond to the "Significant Items" figure as reflected in the Glencore Group's annual report for FY2012.

2.2 Dividends. Set out below is a summary of the dividend per share declared in respect of each of FY2011, FY2012 and FY2013 by the Glencore Group. This information was also extracted from the annual reports of the Glencore Group for FY2011, FY2012 and FY2013 respectively.

	US\$
In respect of FY2013	
Dividend per share	16.50 cents per share
In respect of FY2012	
Dividend per share	15.75 cents per share
In respect of FY2011	
Dividend per share	15.00 cents per share

2.3 Balance Sheet. A copy of the audited consolidated statement of financial position of the Glencore Group as at 31 December 2012 and 31 December 2013 which is extracted from the annual report of the Glencore Group for FY2013 is set out in **Appendix 5** to this Exit Offer Letter. The audited consolidated statement of financial position of the Glencore Group as at 31 December 2012 and 31 December 2013 should be read in conjunction with the audited consolidated financial statements of the Glencore Group for FY2012 and FY2013 respectively and the accompanying notes as set out in the relevant annual reports.

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in any information on the Glencore Group which is publicly available (including without limitation, announcements and circulars released by Glencore on the London Stock Exchange, the Hong Kong Stock Exchange and the Johannesburg Stock Exchange), there has been no material changes to the financial position of the Glencore Group since 31 December 2013, being the date of the last published audited consolidated financial statements of the Glencore Group.

4. SIGNIFICANT ACCOUNTING POLICIES OF GLENCORE

The significant accounting policies of Glencore as extracted from the annual report of the Glencore Group for FY2013 are set out in **Appendix 6** to this Exit Offer Letter.

5. CHANGES IN ACCOUNTING POLICIES OF GLENCORE

There have been no changes to the significant accounting policies of Glencore as set out in **Appendix 6** to this Exit Offer Letter.

6. REGISTERED OFFICE

The registered office of Glencore is situated at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES.

ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The names, addresses and descriptions of the directors of the Offeror as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Alexander Frank Beard	2 Pembridge Place, London, W2 4XB, United Kingdom	Director
Mr Mark Jonathan Catton	45 Faber Park, Faber Hills, Singapore 129123	Director
Mr Lodewyk Van Rooyen	83 Bukit Way, Mont Timah, Singapore 587773	Director

2. FINANCIAL INFORMATION

2.1 Financial Information. Set out below are certain financial information extracted from the Offeror's audited financial statements for FY2011, FY2012 and FY2013 respectively. The financial information for FY2011, FY2012 and FY2013 should be read in conjunction with the audited financial statements of the Offeror for FY2011, FY2012 and FY2013 and the accompanying notes as set out in these financial statements.

	FY	FY	FY
	2013	2012	2011
	US\$	US\$	US\$
Turnover	–	478	379,439
Exceptional items	–	–	–
(Loss)/profit before income taxes	(325,535)	(71,388)	232,749
(Loss)/profit after income taxes	(325,535)	(71,473)	232,749
Minority interest	–	–	–
Net earnings per share	(0.0011)	(0.0002)	0.0008

2.2 Dividends. No dividend on the shares of the Offeror has been declared in respect of each of FY2011, FY2012 and FY2013 by the Offeror.

2.3 Balance Sheet. A copy of the audited statement of financial position of the Offeror as at 31 December 2012 and 31 December 2013 which is extracted from the audited financial statements of the Offeror for FY2013 is set out in **Appendix 7** to this Exit Offer Letter. The audited statement of financial position of the Offeror as at 31 December 2012 and 31 December 2013 should be read in conjunction with the audited financial statements of the Offeror for FY2012 and FY2013 and the accompanying notes as set out in these financial statements.

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as a result of making and financing the Exit Offer, there has been no material changes to the financial position of the Offeror since 31 December 2013, being the date of the last published audited financial statements of the Offeror.

4. SIGNIFICANT ACCOUNTING POLICIES OF THE OFFEROR

The significant accounting policies of the Offeror as extracted from the audited financial statements of the Offeror for FY2013 are set out in **Appendix 8** to this Exit Offer Letter.

5. CHANGES IN ACCOUNTING POLICIES OF THE OFFEROR

There have been no changes to the significant accounting policies of the Offeror as set out in **Appendix 8** to this Exit Offer Letter.

6. REGISTERED OFFICE

The registered office of the Offeror is situated at 1 Temasek Avenue, #34-01 Millenia Tower, Singapore 039192.

ADDITIONAL INFORMATION ON CHEMOIL

1. DIRECTORS

The names, addresses and descriptions of the directors of Chemoil as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr Mark Jonathan Catton	45 Faber Park, Faber Hills, Singapore 129123	Chairman
Mr Thomas Kevin Reilly	158 Westway Rd Southport CT 06890-1426 USA	Chief Executive Officer
Mr Alexander Frank Beard	2 Pembridge Place, London, W2 4XB, United Kingdom	Non-Executive Director
Mr Warren Michael Blount	113 Merton Hall Road London SW19 3PY United Kingdom	Non-Executive Director
Mr Peter Michael Meade	300 Worthington Avenue Spring Lake NJ07762 USA	Lead Independent Director
Mr Steven Barry Simpson	72 Cairnhill Road Singapore 229677	Independent Director

2. SHARE CAPITAL

As at the Latest Practicable Date:

- (i) Chemoil has 1,292,612,000 Shares in issue (including treasury shares); and
- (ii) Chemoil has 47,068,274 outstanding Options granted under the 2006 Share Option Scheme of Chemoil.

3. MATERIAL CHANGES IN FINANCIAL POSITION

To the knowledge of the Offeror, as at the Latest Practicable Date, save as disclosed in this Exit Offer Letter, the Unaudited Financial Information for the 4th Quarter and Full Year Ended 31st December 2013 released by Chemoil and any other information on Chemoil which is publicly available (including without limitation, the announcements released by Chemoil on the SGX-ST), there are no material changes in the financial position or prospects of Chemoil since the date of the last balance sheet laid before Chemoil in general meeting.

A copy of the Unaudited Financial Information for the 4th Quarter and Full Year Ended 31st December 2013 released by Chemoil is available on the website of the SGX-ST at www.sgx.com.

4. REGISTERED OFFICE

The registered office of Chemoil is situated at 31/F, 148 Electric Road, North Point, Hong Kong.

**AUDITED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION OF THE GLENCORE GROUP
AS AT 31 DECEMBER 2012 AND 31 DECEMBER 2013**

The audited consolidated statement of financial position of the Glencore Group as at 31 December 2012 and 31 December 2013 has been reproduced from the annual report of the Glencore Group for FY2013 and, save for references to page numbers which have been altered to conform with the pagination of this Exit Offer Letter, is set out below.

Consolidated statement of financial position

As at 31 December 2013

US\$ million	Notes	2013	2012 Restated ¹
Assets			
Non-current assets			
Property, plant and equipment	7	67,507	23,623
Intangible assets	8	9,053	2,207
Investments in associates and joint ventures	10	12,707	18,764
Other investments	10	923	1,589
Advances and loans	11	4,095	3,758
Deferred tax assets	6	2,105	1,511
		96,390	51,452
Current assets			
Inventories	12	22,753	20,680
Accounts receivable	13	24,536	24,902
Other financial assets	27	2,904	2,650
Prepaid expenses and other assets		578	235
Marketable securities		36	38
Cash and cash equivalents	14	2,849	2,782
		53,656	51,287
Asset held for sale	15	4,886	2,825
		58,542	54,112
Total assets		154,932	105,564
Equity and liabilities			
Capital and reserves – attributable to equity holders			
Share capital	16	133	71
Reserves and retained earnings	16	49,824	31,068
		49,957	31,139
Non-controlling interests	33	3,192	3,034
Total equity		53,149	34,173
Non-current liabilities			
Borrowings	20	38,724	19,028
Deferred income	21	1,277	601
Deferred tax liabilities	6	6,613	2,906
Other financial liabilities	27	1,044	–
Provisions	22	8,083	1,713
		55,741	24,248
Current liabilities			
Borrowings	20	16,461	16,498
Viterra asset acquirer loans	15	–	2,580
Accounts payable	24	26,041	23,533
Deferred income	21	145	116
Provisions	22	264	69
Other financial liabilities	27	2,366	3,388
Income tax payable		489	257
		45,766	46,441
Liabilities held for sale	15	276	702
		46,042	47,143
Total equity and liabilities		154,932	105,564

¹ Certain amounts shown here reflect the adoption of new and revised standards as detailed in note 1 and for revisions to the previously reported fair values associated with the acquisitions made in 2012, which relates mainly to Viterra (see note 25), and therefore do not correspond to the consolidated statement of financial position for the year ended 31 December 2012.

The accompanying notes are an integral part of the condensed consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES OF GLENCORE

The significant accounting policies of Glencore have been reproduced from the annual report of the Glencore Group for FY2013 and, save for references to page numbers which have been altered to conform with the pagination of this Exit Offer Letter, is set out below.

Notes to the financial statements

1. ACCOUNTING POLICIES

Corporate information

Glencore Xstrata plc, formerly Glencore International plc, (the “Company” or the “Parent”), is a publicly traded limited company incorporated in Jersey and domiciled in Switzerland. Its ordinary shares are traded on the London, Hong Kong and Johannesburg stock exchanges and it is the ultimate parent entity of the Glencore Xstrata Group (“Glencore”).

Glencore is a leading integrated producer and marketer of natural resources, with worldwide activities in the production, refinement, processing, storage, transport and marketing of metals and minerals, energy products and agricultural products. Glencore operates on a global scale, marketing and distributing physical commodities sourced from third party producers and own production to industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries. Glencore also provides financing, logistics and other services to producers and consumers of commodities. In this regard, Glencore seeks to capture value throughout the commodity supply chain. Glencore’s long experience as a commodity producer and merchant has allowed it to develop and build upon its expertise in the commodities which it markets and cultivate long-term relationships with a broad supplier and customer base across diverse industries and in multiple geographic regions.

On 2 May 2013, Glencore completed its acquisition of the remaining 66% (which it did not previously own) of the issued and outstanding equity of Xstrata plc (“Xstrata”), a leading global diversified mining group, for consideration of \$29.5 billion. See note 25.

These consolidated financial statements were authorised for issue in accordance with a Directors’ resolution on 17 March 2014.

Statement of compliance

The accounting policies adopted are in accordance with:

- International Financial Reporting Standards (“IFRS”) and interpretations as adopted by the European Union (“EU”) effective as of 31 December 2013; and
- IFRS and interpretations as issued by the International Accounting Standards Board (“IASB”) effective as of 31 December 2013.

Critical accounting judgements and key sources of estimation

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and relevant under the circumstances, independent estimates, quoted market prices and common, industry standard modelling techniques. Actual outcomes could result in a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Glencore has identified the following areas as being critical to understanding Glencore’s financial position as they require management to make complex and/or subjective judgements, estimates and assumptions about matters that are inherently uncertain:

Key judgements

In the process of applying Glencore’s accounting policies, management has made the following judgements based on the relevant facts and circumstances including macro-economic circumstances and, where applicable, interpretation of underlying agreements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Allocation of acquisition goodwill to cash generating units (“CGUs”) (Notes 9 and 25)

The allocation of goodwill created as a result of a business combination is a significant judgement which is, in part, impacted by the identification of synergies expected to be realised as a result of a business combination and allocating those synergies to the cash generating units which are expected to benefit from the synergies. The allocation of goodwill impacts the carrying value of CGUs and the associated assessment of impairment in connection with those CGUs. In 2013, the most significant judgements in respect of goodwill allocation related to the acquisition of Xstrata.

Determination of control of subsidiaries and joint arrangements (Note 35)

Judgement is required to determine when Glencore has control or joint control, which requires an assessment of the relevant activities (those relating to the operating and capital decisions of the arrangement, such as: the approval of the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the operations) and when the decisions in relation to those activities are under the control of Glencore or require unanimous consent.

Judgement is also required in determining the classification of a joint arrangement between a joint venture or a joint operation through an evaluation of the rights and obligations arising from the arrangement.

Differing conclusions around these judgements, may materially impact how these businesses are presented in the consolidated financial statements – under the full consolidation method, equity method or proportionate consolidation method.

Exploration and evaluation expenditure (Notes 7 and 30)

The application of Glencore’s accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

Performance and credit risk (Note 26)

The Group’s global marketing operations expose it to performance and credit risks; these arise particularly in markets demonstrating significant price volatility with limited liquidity and terminal markets and when global and/or regional macroeconomic conditions are weak.

Continuously, but particularly during such times judgement is required to determine whether receivables, loans and advances are recoverable and if contracted product deliveries will be received. Judgements about recoverability and contractual performance may materially impact both non-current and current assets as recognised on the statement of financial position.

Recognition of deferred tax assets (Note 6)

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether there will be sufficient taxable income available to offset the tax assets when they do reverse. These judgements are subject to risk and uncertainty and therefore, to the extent assumptions regarding future profitability change, there can be a material increase or decrease in the amounts recognised in the consolidated statement of income in the period in which the change occurs. The recoverability of deferred tax assets including the estimates and assumptions contained therein are reviewed regularly by management.

Key estimates and assumptions

In the process of applying Glencore's accounting policies, management has made key estimates and assumptions concerning the future and other key sources of estimation uncertainty. The key assumptions and estimates at the reporting date that have a significant impact on the financial position and the results of operations, are described below. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of derivative instruments (Note 28)

Derivative instruments are carried at fair value and Glencore evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 13 *Fair Value Measurement*. Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1); by using models with externally verifiable inputs (Level 2); or by using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring Glencore to make market based assumptions (Level 3). Level 3 inputs therefore include the highest level of estimation uncertainty.

Depreciation and amortisation of mineral and petroleum rights, project development costs, plant and equipment and intangible assets (Notes 7 and 8)

Mineral and petroleum rights, project development costs, certain plant and equipment and certain intangible assets are depreciated/amortised using the Units of Production basis ("UOP"). The calculation of the UOP rate of depreciation/amortisation, and therefore the annual charge to operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating mineral or petroleum reserves and resources, notably changes in the geology of the reserves and resources and assumptions used in determining the economic feasibility of the reserves. Such changes in reserves and resources could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the project, which in turn is limited to the life of the underlying reserves and resources. Estimates of proven and probable reserves and resources are prepared by experts in extraction, geology and reserve determination. Assessments of UOP rates against the estimated reserve and resource base and the operating and development plan are performed regularly.

Impairments (Notes 5, 7, 8, 9 and 10)

Investments in associates and joint ventures, other investments, advances and loans, property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable or at least annually for goodwill and other indefinite life intangible assets. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised in the consolidated statement of income. Future cash flow estimates which are used to calculate the asset's fair value are discounted using asset specific discount rates and are based on expectations about future operations, primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating, rehabilitation and restoration costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management.

Provisions (Note 22)

The amount recognised as a provision, including tax, legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Group assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements. These provisions may require settlement in future periods and as such may be materially impacted by the time value of money, the determination of the appropriate risk adjusted discount rate to reflect time value of money is a source of estimation uncertainty which could impact the carrying value of these provisions at the balance sheet date.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

Restoration, rehabilitation and decommissioning costs (Note 22)

A provision for future restoration, rehabilitation and decommissioning costs requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance, the timing, extent and costs of the required closure and rehabilitation activities and of the risk adjusted discount rates used to determine the present value of the future cash outflows. To the extent that the actual future costs differ from these estimates, adjustments will be recorded and the consolidated statement of income could be impacted. The provisions including the estimates and assumptions contained therein are reviewed regularly by management.

Fair value measurements (Notes 9, 25, 26, 27 and 28)

In addition to recognising derivative instruments at fair value, as discussed above, an assessment of the fair value of assets and liabilities is also required in accounting for other transactions, most notably, business combinations and marketing inventories and disclosures related to fair values of financial assets and liabilities. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market-based transactions rarely exist.

Adoption of new and revised Standards

In the current year, Glencore has applied a number of new and revised IFRS standards and interpretations which were adopted as of 1 January 2013:

- IFRS 10 – Consolidated Financial Statements (“IFRS 10”)
- IFRS 11 – Joint Arrangements (“IFRS 11”)
- IFRS 12 – Disclosure of Interest in Other Entities (“IFRS 12”)
- IAS 27 – Separate Financial Statements (2011) (“IAS 27”)
- IAS 28 – Investment in Associates and Joint Ventures (“IAS 28”)
- IFRS 13 – Fair Value Measurement (“IFRS 13”)
- IAS 19 – Employee Benefits (“IAS 19”)
- Amendments to IAS 1 – Presentation of Items in Other Comprehensive Income (“Amendments to IAS 1”)
- Amendments to IFRS 7 – Disclosure – Offsetting Financial Assets and Financial Liabilities (“Amendments to IFRS 7”)
- Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (“Amendments to IAS 36”) IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine (“IFRIC 20”)
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine (“IFRIC 20”)

The nature and impact of the following new and revised IFRS standards and interpretations is described below.

IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 (the “Consolidation Standards”)

IFRS 10 provides a single basis for consolidation with a new definition of control based on having the power to direct the relevant activities of the investee. IFRS 11 impacts the accounting for joint arrangements, defined as investments or arrangements which are subject to joint control through contractually agreed sharing of control between two or more parties. A joint arrangement is classified as either a joint operation or a joint venture, and the option to proportionately consolidate joint ventures has been removed requiring them to be accounted for under the equity method whilst joint operations are accounted for using the proportionate consolidation method. This is consistent with historical Glencore policy under which investments in jointly controlled entities were accounted for using the equity method. IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements (see notes 10, 33 and 35).

There were no changes in the accounting previously applied to the Glencore subsidiaries, investments and joint arrangements as a result of the adoption of the Consolidation Standards. The adoption of the Consolidation Standards required retrospective application.

IFRS 13

IFRS 13 establishes a single source of guidance for fair value measurements and their disclosures. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for those items excluded from IFRS 13 as described in the Basis of preparation. IFRS 13 does not change when an entity is required to use fair value but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an ‘exit price’ regardless of whether that price is directly observable or estimated using another valuation technique. The application of IFRS 13 has not materially impacted the fair value measurements of Glencore. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. The fair value hierarchy is provided in note 28. IFRS 13 required prospective application.

IAS 19 (2011)

IAS 19 requires all actuarial gains and losses to be recognised immediately in other comprehensive income (which differs from Glencore's previous policy which applied the corridor method) and requires the expected return on plan assets (recognised in the consolidated statement of income) to be calculated based on the rate used to discount the defined benefit obligations.

Glencore applied the standard retrospectively in accordance with the transitional provisions and as a result recognised \$164 million of previously unrecognised actuarial losses as at 1 January 2012 (\$176 million at 1 January 2013), increasing the post-retirement benefits provision with a corresponding adjustment to shareholders' equity and an associated deferred tax impact (see note 23). IAS 19 required retrospective application.

Amendments to IAS 1

The amendments to IAS 1 do not impact Glencore's financial statement balances however they impact the presentation within the Statement of Comprehensive Income as Glencore is now required to classify components of other comprehensive income based on whether they are or may eventually be recycled into income (e.g. currency translation and cash flow hedging adjustments) versus those items that will never be recycled into income (e.g. actuarial gains and losses on pension plans). The amendments to IAS 1 required retrospective application.

Amendments to IFRS 7

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting or similar agreement. Other than the additional disclosure, the application of amendments to IFRS 7 did not impact the amounts recognised in the consolidated financial statements (see note 27). The amendments to IFRS 7 required retrospective application.

Amendments to IAS 36

The amendments to IAS 36 clarify the circumstances in which the recoverable amount of assets or cash-generating units are required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. Other than the additional disclosure, the application of amendments to IAS 36 did not impact the amounts recognised in the consolidated financial statements (see note 5). The amendments to IAS 36 required retrospective application.

IFRIC 20

IFRIC 20 provides a model for accounting for waste removal (stripping) costs incurred during the production phase of a surface (open pit) mine. The model and related guidance requires the apportionment of the costs between those incurred to obtain a current versus a future benefit and the capitalisation of the latter with the depreciation method to apply to capitalised stripping costs.

The Group operates open pit mines at a number of its existing operations. Upon adoption of IFRIC 20, there were no significant changes in the balances previously recognised.

New and revised Standards not yet effective

At the date of authorisation of these consolidated financial statements, the following new and revised standards and interpretations applicable to Glencore were issued but not yet effective:

- **IFRS 9 – Financial Instruments:** IFRS 9 modifies the classification and measurement of certain classes of financial assets and liabilities. The most significant change is to rationalise from four to two primary categories of financial assets.
- **Amendments to IAS 32 – Offsetting Financial Assets and Liabilities:** The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and liabilities. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right to set-off” and “simultaneous realisation and settlement”.
- **Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting:** The amendments to IAS 39 clarify the criteria required to be met such that there would be no need to discontinue hedge accounting if a hedging derivative was novated.

The Directors are currently evaluating the impact these new standards may have on the financial statements of Glencore.

Basis of preparation

The financial statements are prepared under the historical cost convention except for the revaluation of certain financial assets, liabilities and marketing inventories that are measured at revalued amounts or fair values at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

The Directors have assessed that the financial statements be prepared on a going concern basis after their consideration of the Group's budgeted cash flows and related assumptions, including appropriate stress testing thereof, key risks and uncertainties, undrawn debt facilities, debt maturity review and in accordance with the Going Concern and Liquidity Guidance for Directors of UK Companies 2009 published by the Financial Reporting Council. Further information on Glencore's objectives, policies and processes for managing its capital and financial risks are detailed in note 26.

All amounts are expressed in millions of United States Dollars, unless otherwise stated, consistent with the predominant functional currency of Glencore's operations.

Under Article 105(11) of the Companies (Jersey) Law 1991 the directors of a holding company need not prepare separate accounts (i.e. company only accounts) if consolidated accounts for the company are prepared, unless required to do so by the members of the company by ordinary resolution. The members of the Company have not passed a resolution requiring separate accounts and, in the Directors' opinion, the Company meets the definition of a holding company. As permitted by the law, the Directors have elected not to prepare separate accounts.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

Control is achieved when Glencore is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, Glencore controls an investee if, and only if, Glencore has all of the following:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When Glencore has less than a majority of the voting rights of an investee or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over the investee including:

- the size of Glencore's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by Glencore, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that Glencore has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when Glencore obtains control over the subsidiary and ceases when Glencore loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and other comprehensive income from the date Glencore gains control until the date when Glencore ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in Glencore's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions with any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received being recognised directly in equity and attributed to equity holders of Glencore.

When Glencore loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if Glencore had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Investments in associates and joint ventures

Associates and jointly ventures (together Associates) in which Glencore exercises significant influence or joint control are accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed if Glencore holds between 20% and 50% of the voting rights, unless evidence exists to the contrary. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about relevant strategic and/or key operating decisions require unanimous consent of the parties sharing control.

Equity accounting involves Glencore recording its share of the Associate's net income and equity. Glencore's interest in an Associate is initially recorded at cost and is subsequently adjusted for Glencore's share of changes in net assets of the Associate, less any impairment in the value of individual investments. Where Glencore transacts with an Associate, unrealised profits and losses are eliminated to the extent of Glencore's interest in that Associate.

Changes in Glencore's interests in Associates are accounted for as a gain or loss on disposal with any difference between the amount by which the carrying value of the Associate is adjusted and the fair value of the consideration received being recognised directly in the consolidated statement of income.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When Glencore undertakes its activities under joint operations, Glencore applies the proportionate consolidation method and recognises:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Where Glencore transacts with a joint operation, unrealised profits and losses are eliminated to the extent of Glencore's interest in that joint operation.

Business combinations and goodwill

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting. The cost of the acquisition is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued in exchange for control of the acquiree. The identifiable assets, liabilities and contingent liabilities ("identifiable net assets") are recognised at their fair value at the date of acquisition. Acquisition related costs are recognised in the consolidated statement of income as incurred.

Where a business combination is achieved in stages, Glencore's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date Glencore attains control) and the resulting gain or loss, if any, is recognised in the consolidated statement of income.

Where the fair value of consideration transferred for a business combination exceeds the fair values attributable to Glencore's share of the identifiable net assets, the difference is treated as purchased goodwill.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the CGUs that are expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not able to be reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Glencore reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted for additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Similar procedures are applied in accounting for the purchases of interests in Associates. Any goodwill arising from such purchases is included within the carrying amount of the investment in Associates, but not amortised thereafter. Any excess of Glencore's share of the net fair value of the Associate's identifiable net assets over the cost of the investment is included in the consolidated statement of income in the period of the purchase.

The main operating and finance subsidiaries and investments of Glencore are listed in note 35.

Non-current assets held for sale and disposal groups

Non-current assets and assets and liabilities included in disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, they are available for immediate disposal and the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is recognised when Glencore has transferred to the buyer all significant risks and rewards of ownership of the assets sold. Revenue excludes any applicable sales taxes and is recognised at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to Glencore and the revenues and costs can be reliably measured. In most instances sales revenue is recognised when the product is delivered to the destination specified by the customer, which is typically the vessel on which it is shipped, the destination port or the customer's premises.

For certain commodities, the sales price is determined on a provisional basis at the date of sale as the final selling price is subject to movements in market prices up to the date of final pricing, normally ranging from 30 to 90 days after initial booking. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to revenue. In all cases, fair value is estimated by reference to forward market prices.

Royalty, interest and dividend income is recognised when the right to receive payment has been established, it is probable that the economic benefits will flow to Glencore and the amount of income can be measured reliably. Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

Foreign currency translation

Glencore's reporting currency and the functional currency of the majority of its operations is the US dollar as this is assessed to be the principal currency of the economic environment in which it operates.

Foreign currency transactions

Transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year end are converted at year end rates. The resulting exchange differences are recorded in the consolidated statement of income.

Translation of financial statements

For the purposes of consolidation, assets and liabilities of group companies whose functional currency is in a currency other than the U.S. Dollar are translated into U.S. Dollars using year end exchange rates, while their statements of income are translated using average rates of exchange for the year.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate. Translation adjustments are included as a separate component of shareholders' equity and have no consolidated statement of income impact to the extent that no disposal of the foreign operation has occurred.

Borrowing costs

Borrowing costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets in which case they are capitalised up to the date when the qualifying asset is ready for its intended use.

Retirement benefits

Glencore operates various pension schemes in accordance with local requirements and practices of the respective countries. The annual costs for defined contribution plans that are funded by payments to separate trustee administered funds or insurance companies equal the contributions that are required under the plans and accounted for as an expense.

Glencore uses the Projected Unit Credit Actuarial method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The cost of providing pensions is charged to the consolidated statement of income so as to recognise current and past service costs, interest cost on defined benefit obligations, and the effect of any curtailments or settlements, net of expected returns on plan assets. Actuarial gains and losses are recognised directly in other comprehensive income and will not be reclassified to the consolidated statement of income. The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in Glencore's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Glencore also provides post-retirement healthcare benefits to certain employees in Canada, South Africa and the United States. These are accounted for in a similar manner to the defined benefit pension plans, however are unfunded.

Share-based payments

Equity-settled share-based payments

Equity-settled share-based payments are measured at the fair value of the awards based on the market value of the shares at the grant date. Fair value excludes the effect of non-market based vesting conditions. The fair value is charged to the consolidated statement of income and credited to retained earnings on a straight-line basis over the period the estimated awards are expected to vest.

At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

Cash-settled share-based payments

For cash-settled share-based payments, a liability is initially recognised at fair value based on the estimated number of awards that are expected to vest, adjusting for market and non-market based performance conditions. Subsequently, at each reporting period until the liability is settled, it is remeasured to fair value with any changes in fair value recognised in the consolidated statement of income.

Income taxes

Income taxes consist of current and deferred income taxes. Current taxes represent income taxes expected to be payable based on enacted or substantively enacted tax rates at the period end on expected current taxable income, and any adjustment to tax payable in respect of previous years. Deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, using enacted or substantively enacted income tax rates which are expected to be effective at the time of reversal of the underlying temporary difference. Deferred tax assets and unused tax losses are only recognised to the extent that their recoverability is probable. Deferred tax assets are reviewed at reporting period end and amended to the extent that it is no longer probable that the related benefit will be realised. To the extent that a deferred tax asset not previously recognised but which subsequently fulfils the criteria for recognition, an asset is then recognised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same authority and Glencore has both the right and the intention to settle its current tax assets and liabilities on a net or simultaneous basis. The tax effect of certain temporary differences is not recognised principally with respect to the initial recognition of an asset or liability (other than those arising in a business combination or in a manner that initially impacted accounting or taxable profit) and temporary differences relating to investments in subsidiaries and Associates to the extent that Glencore can control the timing of the reversal of the temporary difference and it is probable the temporary difference will not reverse in the foreseeable future. Deferred tax is provided in respect of fair value adjustments on acquisitions. These adjustments may relate to assets such as extraction rights that, in general, are not eligible for income tax allowances.

Current and deferred tax are recognised as an expense or income in the consolidated statement of income, except when they relate to items that are recognised outside the consolidated statement of income (whether in other comprehensive income or directly in equity) or where they arise from the initial accounting for a business combination.

Royalties, extraction taxes and other levies/taxes are treated as taxation arrangements when they have the characteristics of an income tax including being imposed and determined in accordance with regulations established by the respective government's taxation authority and the amount payable is based on taxable income – rather than physical quantities produced or as a percentage of revenues – after adjustment for temporary differences. For such arrangements, current and deferred tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements that do not satisfy these criteria are recognised as current provisions and included in cost of goods sold.

Exploration and evaluation expenditure

Exploration and evaluation expenditure relates to costs incurred in the exploration and evaluation of potential mineral and petroleum resources and includes costs such as researching and analysing historical exploration data, exploratory drilling, trenching, sampling and the costs of pre-feasibility studies. Exploration and evaluation expenditure for each area of interest, other than that acquired from another entity, is charged to the consolidated statement of income as incurred except when the expenditure is expected to be recouped from future exploitation or sale of the area of interest and it is planned to continue with active and significant operations in relation to the area, or at the reporting period end, the activity has not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves, in which case the expenditure is capitalised. Purchased exploration and evaluation assets are recognised at their fair value at acquisition.

Capitalised exploration and evaluation expenditure is recorded as a component of mineral and petroleum rights in property, plant and equipment.

As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated. All capitalised exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest or at the CGU level. To the extent that capitalised expenditure is not expected to be recovered it is charged to the consolidated statement of income.

Administration costs that are not directly attributable to a specific exploration area are charged to the consolidated income statement. Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Development expenditure

When commercially recoverable reserves are determined and such development receives the appropriate approvals, capitalised exploration and evaluation expenditure is transferred to construction in progress. All subsequent development expenditure is capitalised and classified as construction in progress, provided commercial viability conditions continue to be satisfied. Proceeds from the sale of ore extracted during the development phase are netted against development expenditure. Upon completion of development and commencement of production, capitalised development costs are transferred as required to either mineral and petroleum rights or deferred mining costs and depreciated using the unit of production method (UOP).

Property, plant and equipment

Property, plant and equipment are stated at cost, being the fair value of the consideration given to acquire or construct the asset, including directly attributable costs required to bring the asset to the location or to a condition necessary for operation and the direct cost of dismantling and removing the asset, less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the specific asset concerned, or the estimated remaining life of the associated mine ("LOM"), field or lease.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation commences when the asset is available for use. The major categories of property, plant and equipment are depreciated/amortised on a UOP and/or straight-line basis as follows:

Buildings	10–45 years
Freehold land	not depreciated
Plant and equipment	3–30 years/UOP
Mineral rights and petroleum rights	UOP
Deferred mining costs	UOP

Assets under finance leases, where substantially all the risks and rewards of ownership transfer to the Group as lessee, are capitalised and amortised over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. All other leases are classified as operating leases, the expenditures for which are charged against income over the accounting periods covered by the lease term.

Biological assets

Biological assets are carried at their fair value less estimated selling costs. Any changes in fair value less estimated selling costs are included in the consolidated statement of income in the period in which they arise.

Deferred stripping costs

Stripping costs incurred in the development of a mine (or pit) before production commences are capitalised as part of the cost of constructing the mine (or pit) and subsequently amortised over the life of the mine (or pit) on a UOP basis.

Production stripping costs related to accessing an identifiable component of the ore body to realise benefits in the form of improved access to ore to be mined in the future (stripping activity asset), are capitalised within mineral properties provided all the following conditions are met:

- (a) it is probable that the future economic benefit associated with the stripping activity will be realised;
- (b) the component of the ore body for which access has been improved can be identified; and
- (c) the costs relating to the stripping activity associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to the consolidated statement of income as they are incurred.

The stripping activity asset is subsequently depreciated on a UOP basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and any accumulated impairment losses.

Mineral and petroleum rights

Mineral and petroleum reserves, resources and rights (together Mineral Rights) which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Mineral Rights for which values cannot be reasonably determined are not recognised. Exploitable Mineral Rights are amortised using the UOP basis over the commercially recoverable reserves and, in certain circumstances, other mineral resources. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner.

Restoration, rehabilitation and decommissioning

Restoration, rehabilitation and decommissioning costs arising from the installation of plant and other site preparation work, discounted using a risk adjusted discount rate to their net present value, are provided for and capitalised at the time such an obligation arises. The costs are charged to the consolidated statement of income over the life of the operation through depreciation of the asset and the unwinding of the discount on the provision.

Costs for restoration of subsequent site disturbance, which is created on an ongoing basis during production, are provided for at their net present values and charged to the consolidated statement of income as extraction progresses.

Changes in the estimated timing of the rehabilitation or changes to the estimated future costs are accounted for prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, provided the reduction in the provision is not greater than the depreciated capitalised cost of the related asset, in which case the capitalised cost is reduced to nil and the remaining adjustment recognised in the consolidated statement of income. In the case of closed sites, changes to estimated costs are recognised immediately in the consolidated statement of income.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Internally generated intangibles are not capitalised. Instead, the related expenditure is recognised in the consolidated statement of income and other comprehensive income in the period in which the expenditure is incurred.

Identifiable intangible assets with a finite life are amortised on a straight-line basis over their expected useful life. The amortisation method and period are reviewed annually and impairment testing is undertaken when circumstances indicate the carrying amount may not be recoverable. Other than goodwill which is not depreciated, Glencore has no identifiable intangible assets with an indefinite life.

The major categories of intangibles are amortised on a straight-line basis as follows:

Port allocation rights	30-40 years
Future warehousing fees	5-10 years
Licences, trademarks and software	3-20 years
Royalty arrangements	30-40 years
Acquired offtake arrangements	5-10 years

Other investments

Equity investments, other than investments in Associates, are recorded at fair value unless such fair value is not reliably determinable in which case they are carried at cost. Changes in fair value are recorded in the consolidated statement of income unless they are classified as available for sale, in which case fair value movements are recognised in other comprehensive income and are subsequently recognised in the consolidated statement of income when realised by sale or redemption, or when a reduction in fair value is judged to be a significant or prolonged decline.

Impairment

Glencore conducts, at least annually, an internal review of asset values which is used as a source of information to assess for any indications of impairment. Formal impairment tests are carried out, at least annually, for cash generating units containing goodwill and for all other non-current assets when events or changes in circumstances indicate the carrying value may not be recoverable.

A formal impairment test involves determining whether the carrying amounts are in excess of their recoverable amounts. An asset's recoverable amount is determined as the higher of its fair value less costs to sell and its value in use. Such reviews are undertaken on an asset-by-asset basis, except where assets do not generate cash flows independent of other assets, in which case the review is undertaken at the CGU level.

If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recorded in the consolidated statement of income to reflect the asset at the lower amount.

An impairment loss is reversed in the consolidated statement of income if there is a change in the estimates used to determine the recoverable amount since the prior impairment loss was recognised. The carrying amount is increased to the recoverable amount but not beyond the carrying amount net of depreciation or amortisation which would have arisen if the prior impairment loss had not been recognised. Goodwill impairments and impairments of available for sale equity investments cannot be subsequently reversed.

Provisions

Provisions are recognised when Glencore has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources embodying economic benefits that can be reliably estimated will be required to settle the liability.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Onerous contracts

An onerous contract is considered to exist where Glencore has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligations arising under onerous contracts are recognised and measured as provisions.

Unfavourable contracts

An unfavourable contract is considered to exist when Glencore, in a business combination, acquires a contract under which the terms of the contract require Glencore to sell products or purchase services on terms which are economically unfavourable compared to current market terms at the time of the business combination. Unfavourable contracts are recognised at the present value of the economic loss and amortised into income over the term of the contract.

Inventories

The vast majority of marketing inventories are valued at fair value less costs to sell with the remainder valued at the lower of cost or net realisable value. Unrealised gains and losses from changes in fair value are reported in cost of goods sold.

Production inventories are valued at the lower of cost or net realisable value. Cost is determined using the first-in-first-out ("FIFO") or the weighted average method and comprises material costs, labour costs and allocated production related overhead costs. Financing and storage costs related to inventory are expensed as incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash held at bank, cash in hand and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Financial instruments

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available for sale financial assets depending upon the purpose for which the financial assets were acquired. Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable transaction costs. Subsequently, financial assets are carried at fair value (other investments, derivatives and marketable securities) or amortised cost less impairment (accounts receivable and advances and loans). Financial liabilities other than derivatives are initially recognised at fair value of consideration received net of transaction costs as appropriate and subsequently carried at amortised cost.

Convertible bonds

At the date of issue, the fair value of the liability component is determined by discounting the contractual future cash flows using a market rate for a similar non-convertible instrument. The liability component is recorded as a liability on an amortised cost basis using the effective interest method. The equity component is recognised as the difference between the fair value of the proceeds as a whole and the fair value of the liability component and it is not subsequently remeasured. On conversion, the liability is reclassified to equity and no gain or loss is recognised in the consolidated statement of income and upon expiry of the conversion rights, any remaining equity portion will be transferred to retained earnings.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

Own shares

The cost of purchases of own shares are deducted from equity. Where they are purchased, issued to employees or sold, no gain or loss is recognised in the consolidated statement of income. Such gains and losses are recognised directly in equity. Any proceeds received on disposal of the shares or transfers to employees are recognised in equity.

Derivatives and hedging activities

Derivative instruments, which include physical contracts to sell or purchase commodities that do not meet the own use exemption, are initially recognised at fair value when Glencore becomes a party to the contractual provisions of the instrument and are subsequently remeasured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotations or using models and other valuation techniques, the key inputs for which include current market and contractual prices for the underlying instrument, time to expiry, yield curves, volatility of the underlying instrument and counterparty risk.

Gains and losses on derivative instruments for which hedge accounting is not applied, other than the revenue adjustment mechanism embedded within provisionally priced sales, are recognised in cost of goods sold.

Those derivatives qualifying and designated as hedges are either (i) a Fair Value Hedge of the change in fair value of a recognised asset or liability or an unrecognised firm commitment, or (ii) a Cash Flow Hedge of the change in cash flows to be received or paid relating to a recognised asset or liability or a highly probable transaction.

A change in the fair value of derivatives designated as a Fair Value Hedge is reflected together with the change in the fair value of the hedged item in the consolidated statement of income.

A change in the fair value of derivatives designated as a Cash Flow Hedge is initially recognised as a cash flow hedge-reserve in shareholders' equity. The deferred amount is then released to the consolidated statement of income in the same periods during which the hedged transaction affects the consolidated statement of income. Hedge ineffectiveness is recorded in the consolidated statement of income when it occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in shareholders' equity and is recognised in the consolidated statement of income when the committed or forecast transaction is ultimately recognised in the consolidated statement of income. However, if a forecast or committed transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the consolidated statement of income.

A derivative may be embedded in a "host contract". Such combinations are known as hybrid instruments and at the date of issuance, the embedded derivative is separated from the host contract and accounted for as a stand-alone derivative if the criteria for separation are met. The host contract is accounted for in accordance with its relevant accounting policy.

AUDITED STATEMENT OF FINANCIAL POSITION OF THE OFFEROR AS AT 31 DECEMBER 2012 AND 31 DECEMBER 2013

The audited statement of financial position of the Offeror as at 31 December 2012 and 31 December 2013 has been reproduced from the audited financial statements of the Offeror for FY2013 and, save for references to page numbers which have been altered to conform with the pagination of this Exit Offer Letter, is set out below:

SINGFUEL INVESTMENT PTE. LTD.

STATEMENT OF FINANCIAL POSITION December 31, 2013

	<u>Note</u>	<u>2013</u> US\$	<u>2012</u> US\$
<u>ASSETS</u>			
Current assets			
Cash and bank balances	6	416,930	280,865
Receivables from related companies	7	<u>2,101,434</u>	<u>2,038,934</u>
Total current assets		<u>2,518,364</u>	<u>2,319,799</u>
Non-current assets			
Investment in subsidiaries	8	413,178,594	413,465,116
Fair value through profit or loss investment	9	<u>55,000,000</u>	<u>55,000,000</u>
Total non-current assets		<u>468,178,594</u>	<u>468,465,116</u>
Total assets		<u>470,696,958</u>	<u>470,784,915</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Advances from intermediate holding company	10	172,736,362	172,736,362
Payable to related company	10	250,000	-
Other payables		<u>22,407</u>	<u>34,829</u>
Total current liabilities		<u>173,008,769</u>	<u>172,771,191</u>
Capital and reserves			
Share capital	11	296,407,664	296,407,664
Retained earnings		<u>1,280,525</u>	<u>1,606,060</u>
Total equity		<u>297,688,189</u>	<u>298,013,724</u>
Total liabilities and equity		<u>470,696,958</u>	<u>470,784,915</u>

SIGNIFICANT ACCOUNTING POLICIES OF THE OFFEROR

The significant accounting policies of the Offeror have been reproduced from the audited financial statements of the Offeror for FY2013 and, save for references to page numbers which have been altered to conform with the pagination of this Exit Offer Letter, is set out below.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) **BASIS OF ACCOUNTING** - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2013, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The company has applied the amendments to FRS 1 Presentation of Items of Other Comprehensive Income retrospectively for the first time in the current year. Under the amendments to FRS 1, the company has to group items of other comprehensive income into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes, the application of the amendments to FRS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income. The company does not have other comprehensive income.

Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 107 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The company does not have any offsetting financial assets and liabilities. The application of the amendments to FRS 107 has no material impact on the amounts recognised in the financial statements.

FRS 113 Fair Value Measurement

The company has applied FRS 113 for the first time in the current year. FRS 113 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of FRS 113 apply to both financial instrument items and non-financial assets for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

FRS 113 includes extensive disclosure requirements, although specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. Consequently the company has not made any new disclosures required by FRS 113 for the comparative period.

Other than the additional disclosures, the application of FRS 113 has not had any material impact on the amounts recognised in the financial statements.

At the date of authorisation of these financial statements, the following new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

- FRS 27 (Revised) Separate Financial Statements
- FRS 110 Consolidated Financial Statements
- FRS 112 Disclosure of Interests in Other Entities
- Amendments to FRS 32 Financial Instruments: Presentation
- Amendments to FRS 36 Impairment of Assets

Consequential amendments were also made to various standards as a result of these new/revised standards.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption except for the following:

Amendments to FRS 32 Financial Instruments: Presentation

The amendments to FRS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legal enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to FRS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application required.

The management does not anticipate that the application of these amendments to FRS 32 will have a significant impact on the company's financial statements as the company does not have any financial assets and financial liabilities that qualify for offset.

- b) **BASIS OF CONSOLIDATION** - The financial statements of the subsidiaries have not been consolidated with the company's financial statements as the company's ultimate holding company, Glencore Xstrata plc (formerly known as Glencore International plc), incorporated in Jersey, prepares publicly available consolidated financial statements on a worldwide basis.

The registered office of Glencore Xstrata plc is Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES, No. 107710.

- c) **FINANCIAL INSTRUMENTS** - Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Interest income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets

Cash and bank balances

These comprise cash and bank balances which are subject to an insignificant risk of changes in value.

Receivable from related companies

Receivable from related companies that have fixed or determinable payments which are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment losses. Interest is recognised by applying the effective interest rate method, except for short-term balances when the recognition of interest would be immaterial.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL on initial recognition.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Where the fair value cannot be reliably measured, the financial assets designated at fair value through profit or loss are measured at cost less impairment. Any movements in carrying value are recognised in profit or loss. If a reliable measure becomes available for the financial assets for which such a measure was previously not available, the financial assets shall be remeasured at fair value, with the difference between its carrying amount and fair value recognised in profit or loss.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Advances from intermediate holding company and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

- d) **INVESTMENT IN SUBSIDIARIES** - A subsidiary is an entity controlled by the company. Control is achieved when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investment in subsidiaries in the financial statements of the company is stated at cost less allowance for impairment in value of investment, if any.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- e) **IMPAIRMENT OF NON-FINANCIAL ASSETS** - At the end of each reporting period, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

- f) **PROVISIONS** - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- g) REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

- h) FOREIGN CURRENCY TRANSACTIONS - The financial statements of the company are measured and presented in the currency of the primary economic environment in which it operates (its functional currency). The management has determined the functional currency of the company to be the United States dollars.

Transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- i) **INCOME TAX** - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax rate are recognised as an expense or income in the profit or loss, except when it relates to items charged or credited outside of profit or loss (either in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside of profit or loss (either in other comprehensive income or directly in equity, respectively).

In the application of the company's accounting policies, which are described in Note 2, management is required to exercise judgements, make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

SINGFUEL INVESTMENT PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) *Critical judgements in applying the company's accounting policies*

The management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements except for:

Impairment in investment in subsidiaries

The company determines whether quoted investment in subsidiaries are impaired when there has been a significant or prolonged decline in their fair values below cost. The fair values are determined based on the last quoted prices on the stock exchange on which the shares are quoted and prevailing as at the end of the reporting period. The determination of significant or prolonged decline requires judgement. In exercising judgement to determine if impairment has occurred, the company evaluates several other factors including the normal volatility in share price, the financial health of the subsidiary, and the industry and sector performance. The company's value of investment in subsidiaries is set out in Note 8.

Measurement basis for fair value through profit or loss financial investments

The company determines the measurement basis of its equity investments based on the most appropriate accounting policy relevant to the investment. Depending on the nature of the equity investment, the fair value of the investment may, initially, not be capable of being reliably determined. In which case, the equity investment is measured at cost less impairment. Should the fair value be capable of being subsequently determined, the equity investment is remeasured at fair value. In respect of the 10% equity stake in a private company (see Note 9) in the current year, the company has determined that the fair value of the investment is currently not capable of being reliably measured and therefore has measured the investment at cost less impairment.

(ii) *Key sources of estimation uncertainty*

The management is of the opinion that there are no key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

DISCLOSURE OF SHAREHOLDINGS AND DEALINGS IN SHARES

1. HOLDINGS OF SHARES

As at the Latest Practicable Date, the interests in Shares held by the Offeror and parties acting or deemed to be acting in concert with the Offeror are set out below:

Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Singfuel Investment Pte. Ltd.	1,152,974,594	89.20	–	–
Glencore Xstrata plc	–	–	1,152,974,594	89.20
Glencore International AG	–	–	1,152,974,594	89.20
Glencore Asian Holdings Pte. Ltd.	–	–	1,152,974,594	89.20

Note:

- ⁽¹⁾ Glencore Asian Holdings Pte. Ltd., Glencore International AG and Glencore Xstrata plc, by virtue of being the immediate holding company, the intermediate holding company and the ultimate holding company of Singfuel Investment Pte. Ltd. respectively, are deemed interested in the shares owned by Singfuel Investment Pte. Ltd..

2. DEALINGS IN SHARES

The details of the dealings in Shares during the Reference Period by the Offeror and parties acting or deemed to be acting in concert with the Offeror are set out below:

Name	Date	No. of Shares Acquired	Transaction Price per Share (US\$)
Singfuel Investment Pte. Ltd.	14 January 2014	85,000	0.300
	16 January 2014	310,000	0.310
	19 February 2014	10,000	0.305
	20 February 2014	65,000	0.305

GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

- 1.1 No Agreement having any Connection with or Dependence upon the Exit Offer.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) the Offeror or any party acting in concert with the Offeror and (ii) any of the current or recent directors of Chemoil or any of the current or recent Shareholders having any connection with or dependence upon the Exit Offer.
- 1.2 Transfer of Offer Shares.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any Offer Shares acquired pursuant to the Exit Offer will be transferred to any other person. The Offeror, however, reserves the right to transfer any of the Offer Shares to any of its group companies (as defined in the New Companies Ordinance) or for the purpose of granting security in favour of financial institutions which have extended credit facilities to it.
- 1.3 No Payment or Benefit to Directors of Chemoil.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of Chemoil or any of its group companies (as defined in the New Companies Ordinance) as compensation for loss of office or otherwise in connection with the Exit Offer.
- 1.4 No Agreement Conditional upon Outcome of Exit Offer.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding between (i) the Offeror and (ii) any of the directors of Chemoil or any other person in connection with or conditional upon the outcome of the Exit Offer or is otherwise connected with the Exit Offer.
- 1.5 Transfer Restrictions.** The Memorandum and Articles of Association of Chemoil do not contain any restrictions on the right to transfer the Offer Shares.
- 1.6 No Indemnity Arrangements.** As at the Latest Practicable Date, neither the Offeror nor any party acting in concert with the Offeror has entered into any arrangement with any person of the kind referred to in Note 7 to Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares.

2. GENERAL

- 2.1 Costs and Expenses.** All costs and expenses of or incidental to the preparation and circulation of the Exit Offer Letter (other than professional fees and other costs incurred or to be incurred by Chemoil relating to the Exit Offer) and stamp duty and transfer fees resulting from acceptances of the Exit Offer will be paid by the Offeror.
- 2.2 Consent from DBS.** DBS (as financial adviser to the Offeror in connection with the Exit Offer) has given and has not withdrawn its written consent to the issue of this Exit Offer Letter with the inclusion of its name and all references to its name in the form and context in which it appears in this Exit Offer Letter.

3. MARKET QUOTATIONS

- 3.1 Closing Prices of the Shares.** The closing prices of the Shares on the SGX-ST, as reported by Bloomberg L.P., on (i) the Latest Practicable Date was US\$0.395, (ii) 20 February 2014 (being the Last Full Trading Day) was US\$0.310 and (iii) 21 February 2014 (being the latest Market Day immediately preceding the Joint Announcement Date and the Trading Halt Date) was US\$0.340.

The last closing prices and aggregate trading volume of the Shares on the SGX-ST on a monthly basis from August 2013 to January 2014 (being the six calendar months preceding the Joint Announcement Date), as reported by Bloomberg L.P., are set out below:

Month	Last Closing Price of the Month (US\$)	Volume of Shares Traded
January 2014	0.290	1,267,000
December 2013	0.290	641,000
November 2013	0.295	668,000
October 2013	0.300	960,000
September 2013	0.320	1,497,000
August 2013	0.310	1,855,000

- 3.2 Highest and Lowest Closing Prices of the Shares.** During the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date, being 25 August 2013 to 24 March 2014 (both dates inclusive), the highest and lowest closing prices of the Shares on the SGX-ST, as reported by Bloomberg L.P., are as follows:

- (i) Highest closing price: US\$0.400 per Share, transacted on 4 March 2014.
- (ii) Lowest closing price: US\$0.290 per Share, transacted on 20, 21, 22, 25 and 26 November 2013; 2, 3, 5, 6, 19, 27, 30 and 31 December 2013; 2, 3 and 30 January 2014 and 3, 4, 5, 6, 7, 10 and 11 February 2014. The Offer Price of US\$0.40 represents a premium of 37.9 per cent. over the lowest closing price.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, during normal business hours for the period for which the Exit Offer remains open for acceptance:

- (i) the annual reports of the Glencore Group for FY2013, FY2012 and FY2011;
- (ii) the audited financial statements of the Offeror for FY2013, FY2012 and FY2011;
- (iii) the Joint Announcement; and
- (iv) the letter of consent from DBS referred to in **Paragraph 2.2** above.

退出要约摘要

下文使用的所有词汇应与本退出要约函赋予该等词汇的意义相同。

1

退出要约价为每股**0.40美元**现金

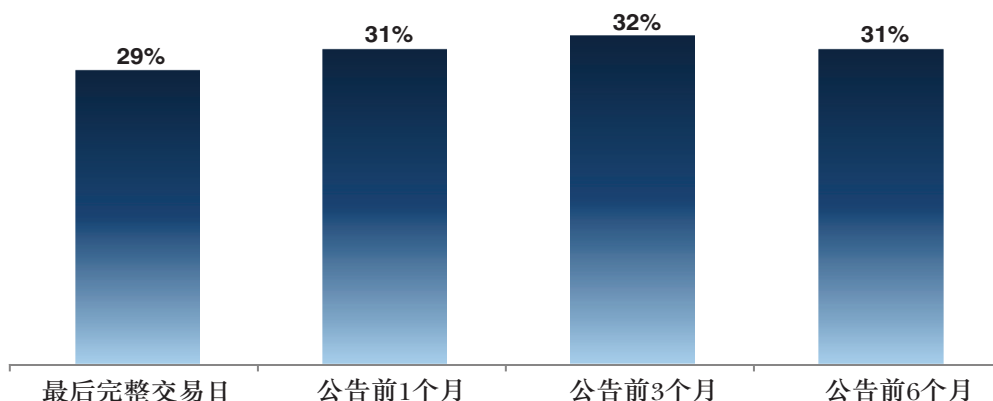
您可全额套现于Chemoil的投资，而无需承担任何经纪佣金或其他交易费用。

若您在退出要约成为无条件之前接受有效要约，您将在退出要约成为无条件之日起计**10**天内收到以现金支付的退出要约价。若您在退出要约成为无条件之后接受有效要约，您将在收到您接受有效退出要约之日后**10**天内收到以现金支付的退出要约价。

2

股东可以较下列基准价格的溢价套现其于Chemoil的投资

高出基准价格的退出要约溢价



旁注：

- (1) 资料来源: Bloomberg L.P.。
- (2) 百分比四舍五入至最近整数。
- (3) 成交量加权平均价比较数据参照截至最后一个完整交易日（包括该日）的相关期间数据。

3

退出要约为股东提供一个套现的捷径，由于股票的低交投量及低公众持股量，若非有此退出要约，股东不会拥有此等便捷的套现途径

- 目前的公众持股量为**10.42%**，仅比新交所上市手册第**723**条最低规定的**10.0%**高**0.42%**
- 低交投量

暂停交易日之前的期间	公告前 1个月期间	公告前 3个月期间	公告前 6个月期间
日均交易量	62,818	52,444	49,742
日均交易量占公众持股量的百分比	0.05%	0.04%	0.04%

4

倘退市决议案于特别股东大会上获通过，Chemoil将退市

- 倘退市决议案获持有至少**75%**股票的股东出席特别股东大会并于会上投票通过（且并无持有**10%**或以上股票的股东出席特别股东大会而于会上投票反对），**Chemoil将退市**。
- 要约方持有约**89.20%**的股票，拟将该等股票投票赞成退市决议案。

5

Chemoil独立董事建议

- 如股东通函所载，**Chemoil**独立董事赞同独立财务顾问有关退出要约的意见，同时建议股东：
 - **投票支持**退市决议案；及
 - **接受**退出要约，或在能够取得较退出要约价更高的价格（扣除所有经纪佣金或有关公开市场交易的交易费用后）的情况下通过公开市场出售其股票。
- 股东应该仔细参阅整份退出要约函及股东通函，包括独立财务顾问致**Chemoil**独立董事的意见，以及**Chemoil**独立董事给予股东的建议。

6

一旦**Chemoil**退市：

- 如股东通函所载，股票将不会再在公开市场上交易，同时亦无途径令股东套现，因此还未接受退出要约的股东或许难以出售其股票。即便股东能够成功出售股票，所收取的价格或低于退出要约价。
- **Chemoil**（作为一家在香港注册成立的非上市公司）将受新公司条例约束，而将不再受上市手册条文的约束。**Chemoil**股东届时或拟独自寻求独立法律意见以熟悉在新公司条例下作为香港注册成立公司的股东权利。

接受退出要约的指示

1

通过以下方式于该等文件中找到或取得**FAA**（适用于无纸化股票）及／或**FAT**（适用于纸质化股票）：

- (a) **FAA** : Central Depository (Pte) Limited，地址：(i)（自寄发日期起至2014年4月11日）4 Shenton Way, #02-01, SGX Centre 2，邮编：068807；或(ii)（自2014年4月14日起至要约截止日期）9 North Buona Vista Drive, #01-19/20 The Metropolis，邮编：138588；
- (b) **FAT**: Boardroom Corporate & Advisory Services Pte. Ltd.，地址：50 Raffles Place, #32-01 Singapore Land Tower，邮编：048623；或
- (c) **FAA**及／或**FAT**的电子副本：新交所网站www.sgx.com。

2

填写您的资料及签署**FAA**¹（适用于无纸化股票）。

- 请在**Part A**部分填写您拟出售在**CDP**证券账户中「自由结余」的股票数目。

I/We hereby irrevocably authorise CDP to effect the transfer from my/our Securities Account with CDP of the following number of Offer Shares to the Securities Account of the Offeror or the Transferee maintained with CDP.

Please indicate the number of Offer Shares you wish to tender in acceptance of the Exit Offer	
Part A	Number of Offer Shares now standing to the credit of the "Free Balance" of my/our Securities Account in respect of which the Exit Offer is accepted
 [填写股票数目]	

NOTE: Please refer to paragraphs 2 and 3 of page 2 of this FAA for instructions on inserting the number of Offer Shares above.

- 请填写适用日期并在**FAA**右下角签章。

 [填写适用日期]	 [签章]
Date	Signature(s) / Thumbprint(s) of Depositor(s) / Joint Depositors. For corporations, please sign as per your signing mandate and where appropriate, <u>the Common Seal to be affixed</u> in accordance with your Memorandum and Articles of Association or relevant constitutive documents

3

将填妥后的**FAA**及／或**FAT**装入随附预先填好地址的信封并寄出，并在**不迟于2014年4月29日下午5时30分**（新加坡时间）（或由要约方可能随时宣布或由代表要约方的他方可能随时宣布的更晚日期）送达。

¹ 有关填写**FAA**的更多指示载于**FAA**和退出要约函附录1中。

通过代理（若股东未能出席特别股东大会） 批准退市决议案的指示

- 找出代理委托书。
- 填妥及签署代理委托书。
- 于不迟于2014年4月13日下午2时30分（新加坡时间）交回填妥的代理委托书。
- 填妥及递交代理委托书并不构成对退出要约的接受，若您在代理委托书或特别股东大会上已投票赞成退市决议案，您必须填妥及递交FAA及/或FAT，以接受退出要约及收取退出要约价。

重要日期及时间

退出要约函、股东通函及FAA及/或FAT寄发日期	2014年3月31日
提交代理委托书（如需）截止日期及时间	2014年4月13日下午2时30分（新加坡时间）
特别股东大会日期及时间	2014年4月15日下午2时30分（新加坡时间） （或紧随将于相同日期下午2时正 （新加坡时间）及相同地点举行的Chemoil股 东周年大会结束或延迟后的尽早时间）
截止日期	2014年4月29日下午5时30分（新加坡时间） （或由要约方可能随时宣布或由代表要约方的 他方可能随时宣布的更晚日期）

需要协助？

若您对退出要约有任何疑问或在填写接受表格时需要任何协助，欢迎在办公时间致电热线 **(65) 6878 6347**。

重要声明

本节所载资料仅为退出要约概要，故应与本退出要约函所载的其他全部内容一并阅读。

本节内容没有意图，或者不得被视为对股东或任何其他方提出意见、推荐或邀请。星展银行仅代表及代理要约方行事，并不对任何股东提供建议。

股东在买卖股票时应该审慎行事。在股东或他们的顾问已考虑Chemoil独立董事及独立财务顾问在股东通函内所提供的资料和推荐建议前，股东应该就股票避免采取任何有可能损害自身利益的行动。我们建议股东仔细阅读整份退出要约函和股东通函。

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