PT BERLIAN LAJU TANKER Tbk
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013 AND 2012 (UNAUDITED)
AND 31 DECEMBER 2012 AND 2011 (AUDITED)
AND FOR THE PERIODS ENDED
30 JUNE 2013, 2012 AND 2011 (UNAUDITED)

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2013 AND 2012 (UNAUDITED) AND 31 DECEMBER 2012 AND 2011 (AUDITED)
AND FOR THE PERIODS ENDED 30 JUNE 2013, 2012 AND 2011 (UNAUDITED)

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PT BERLIAN LAJU TANKER Tbk
" Delivers with Safety, Competitiveness and Timeliness"

ISO 9001
ISO 14001
OHSAS 18001

DIRECTORS' STATEMENT LETTER
RELATING TO THE RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2013 AND 2012 (UNAUDITED) AND 31 DECEMBER 2012 AND 2011 (AUDITED)
AND FOR THE PERIODS ENDED 30 JUNE 2013, 2012 AND 2011 (UNAUDITED)

PT BERLIAN LAJU TANKER TBK AND ITS SUBSIDIARIES (GROUP)

We, the undersigned:

1. Name : Widihardja Tanudjaja
   Office Address : Wisma BSG Lantai 10
   Jl. Abdul Muis No. 40
   Jakarta Pusat 10160
   Phone Number : 62 - 21- 30060300
   Position : President Director
2. Name : Michael M. Gunawan
   Office Address : Wisma BSG Lantai 10
   Jl. Abdul Muis No. 40
   Jakarta Pusat 10160
   Phone Number : 62 - 21- 30060300
   Position : Administration Director

states that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of the Group;
2. The consolidated financial statements of the Group have been prepared and presented in conformity with International Financial Reporting Standards;
3. a. All information contained in the consolidated financial statements of the Group is complete and correct;
   b. The consolidated financial statements of the Group do not contain misleading material information or facts, and do not omit material information and facts;
4. We are responsible for the Group's internal control system.

This statement has been made truthfully.

Jakarta, 27 February 2014

President Director	Administration Director
(Widihardja Tanudjaja)	(Michael M. Gunawan)

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PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
30 JUNE 2013 AND 2012 (UNAUDITED)
AND 31 DECEMBER 2012 AND 2011 (AUDITED)

	Notes	30/06/2013	31/12/2012	30/06/2012	31/12/2011
		US$'000	US$'000	US$'000	US$'000
ASSETS					
NON-CURRENT ASSETS					
Fixed assets - net	**5**	754,931	777,254	1,148,068	1,281,919
Deferred charges and security deposits		865	323	203	21,782
Goodwill	**6**	11,441	11,441	35,955	35,955
Investments in associates	**7**	18,743	11,088	7,462	5,017
Other financial assets	**8**	34,302	34,302	34,302	34,302
Restricted cash	**11**	9,202	9,150	9,116	9,116
Deferred tax assets	**26**	7,912	7,927	6,152	2,125
Derivative financial instruments	**29**	-	-	-	6,978
Total non-current assets		837,396	851,485	1,241,258	1,397,194
CURRENT ASSETS					
Derivative financial instruments	**29**	-	-	-	1,338
Inventories	**9**	14,598	14,860	21,006	21,957
Trade accounts receivable	**10**	54,922	58,743	73,919	94,519
Other accounts receivable		10,848	9,225	10,507	13,023
Prepaid expenses and taxes		14,629	11,521	19,373	17,736
Advances		10,932	6,679	4,372	3,840
Other financial assets	**8**	-	-	316	27,900
Restricted cash	**11**	2,819	9,895	1,164	-
Cash	**12**	20,771	11,293	20,780	20,310
Total		129,519	122,216	151,437	200,623
Assets classified as held for sale	**13**	135,008	135,008	135,008	135,000
Total current assets		264,527	257,224	286,445	335,623
TOTAL ASSETS		1,101,923	1,108,709	1,527,703	1,732,817

See accompanying notes to consolidated financial statements on Exhibit E
which are an integral part of the consolidated financial statements taken as whole.

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
30 JUNE 2013 AND 2012 (UNAUDITED)
AND 31 DECEMBER 2012 AND 2011 (AUDITED)

	Notes	30/06/2013	31/12/2012	30/06/2012	31/12/2011
		US$'000	US$'000	US$'000	US$'000
CAPITAL DEFICIENCY AND LIABILITIES					
CAPITAL DEFICIENCY					
Share capital	14	109,575	109,575	109,575	109,575
Additional paid-in capital	15	136,141	136,141	136,141	136,141
Treasury shares	16	(6,516)	(6,516)	(6,516)	(6,516)
Difference arising from changes of equity of subsidiaries and effects of transactions with non-controlling interest	17	(13,462)	(13,462)	(11,115)	1,328
Reserves	18	42,411	41,640	81,030	80,672
Deficit	19	(1,524,232)	(1,525,302)	(1,197,186)	(799,339)
Capital deficiency attributable to owners		(1,256,083)	(1,257,924)	(888,071)	(478,139)
Non-controlling Interest	20	74,025	71,547	86,107	63,524
Total capital deficiency		(1,182,058)	(1,186,377)	(801,964)	(414,615)
NON-CURRENT LIABILITIES					
Long-term liabilities - net of current maturities					
Loans	21	719,533	719,837	681,919	113,593
Bonds payable	22	144,340	143,260	-	-
Notes payables	23	408,150	404,077	400,000	164,000
Obligations under finance lease	24	219,439	225,886	232,343	334,810
Other payables	25	255,401	242,035	166,769	40,652
Deferred income		-	-	-	1,641
Deferred tax liabilities	26	-	-	3,964	4,343
Provision for post-employment benefits	27	6,405	6,424	5,935	5,935
Convertible bonds	28	176,926	175,237	173,899	169,579
Derivative financial instruments	29	99,191	98,824	98,456	125,072
Total non-current liabilities		2,029,385	2,015,580	1,763,285	959,625
CURRENT LIABILITIES					
Derivative financial instruments	29	-	-	-	4,396
Short-term loans	30	35,747	35,747	85,291	86,205
Trade accounts payable	31	85,792	95,099	108,851	96,737
Other current liabilities		3,279	3,051	3,631	5,579
Dividends payable		512	552	564	589
Tax payable	26	818	1,207	1,016	1,411
Accrued expenses	32	47,604	37,124	64,322	61,078
Unearned revenues		9,605	5,775	3,305	7,226
Current maturities of long-term liabilities					
Loans	21	4,569	22,611	91,392	689,218
Bonds payable	22	-	-	141,064	147,322
Obligations under finance lease	24	32,648	32,637	32,648	49,571
Other payables	25	34,022	45,703	34,298	38,475
Total current liabilities		254,596	279,506	566,382	1,187,807
TOTAL CAPITAL DEFICIENCY AND LIABILITIES		1,101,923	1,108,709	1,527,703	1,732,817

See accompanying notes to consolidated financial statements on Exhibit E
which are an integral part of the consolidated financial statements taken as whole.

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 30 JUNE 2013, 2012 AND 2011 (UNAUDITED)

	Notes	2013	2012	2011
		US$'000	US$'000	US$'000
OPERATING REVENUES	**33**	181,047	240,019	323,111
VOYAGE EXPENSES	**34**	(81,425)	(123,763)	(120,822)
OPERATING REVENUES AFTER VOYAGE EXPENSES		99,622	116,256	202,289
Charter Expenses		(9,610)	(13,369)	(23,680)
Vessel operating expenses and depreciation				
Vessel operating expenses	**35**	(41,965)	(67,868)	(58,513)
Vessel depreciation	**5**	(24,607)	(40,820)	(66,768)
GROSS PROFIT		23,440	(5,801)	53,328
Administrative expenses	**36**	(14,169)	(16,672)	(13,862)
Finance costs	**37**	(36,647)	(51,443)	(79,703)
Investment income	**38**	64	206	4,164
Share in profit of associates	**7**	7,655	2,445	4,690
Other gains and losses	**39**	21,228	(329,874)	56,109
INCOME (LOSS) BEFORE TAX		1,571	(401,139)	24,726
TAX INCOME (EXPENSES)	**26**	(367)	3,803	(804)
INCOME (LOSS) FOR THE PERIOD		1,204	(397,336)	23,922
OTHER COMPREHENSIVE INCOME				
Net increase (decrease) revaluation reserves of vessels	**19**	2,317	2,603	21,419
Decrease in fair value of available-for-sale financial asset		-	(9)	-
Financial statement translation		798	824	(2,532)
Deferred tax related to vessels revaluation		-	-	-
Total		3,115	3,418	18,887
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,319	(393,918)	42,809
INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company		723	(399,716)	23,262
Non-controlling interest		481	2,380	660
Total		1,204	(397,336)	23,922
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company		1,841	(397,489)	42,149
Non-controlling interest		2,478	3,571	660
Total		4,319	(393,918)	42,809
BASIC INCOME (LOSS) PER SHARE (in full amount)	**40**	0.0000	(0.0346)	0.0019

See accompanying notes to consolidated financial statements on Exhibit E
which are an integral part of the consolidated financial statements taken as whole.

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE PERIODS ENDED 30 JUNE 2013, 2012 AND 2011 (UNAUDITED)

	Share capital	Additional paid-in capital	Treasury shares	Difference arising from changes in equity of subsidiaries and effect of transactions with non-controlling interest	Revaluation reserves	Investments revaluation	Financial statements translation	General reserves	Retained earnings (Deficit)	Equity (Capital deficiency) attributable to owners of the Company	Non-controlling Interest	Total equity (capital deficiency)
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance as of 01/01/2011	109,575	209,003	(86,628)	-	300,731	-	1,009	5,898	178,621	718,209	-	718,209
Transfer to retained earnings	-	-	-	-	(19,918)	-	-	-	19,918	-	-	-
Share ownership of non-controlling interest in subsidiary	-	-	-	-	-	-	-	-	-	-	1	1
Issuance of shares through initial public offering by a subsidiary	-	-	-	2,305	-	-	-	-	-	2,305	111,248	113,553
Other comprehensive income	-	-	-	-	21,419	-	(2,532)	-	-	18,887	-	18,887
Profit for the period	-	-	-	-	-	-	-	-	23,262	23,262	660	23,922
Balance as of 30/06/2011	109,575	209,003	(86,628)	2,305	302,232	-	(1,523)	5,898	221,801	762,663	111,909	874,572
Balance as of 01/01/2012	109,575	136,141	(6,516)	1,328	73,217	9	1,548	5,898	(799,339)	(478,139)	63,524	(414,615)
Disposal of the subsidiary's shares	-	-	-	(8,289)	-	-	-	-	-	(8,289)	23,153	14,864
Loss of control of subsidiary	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Share ownership of non-controlling interest in new subsidiary	-	-	-	-	-	-	-	-	-	-	7	7
Exchangeable notes recognition as addition of investment shares in subsidiary	-	-	-	(4,154)	-	-	-	-	-	(4,154)	(4,147)	(8,301)
Transfer to deficit	-	-	-	-	(1,869)	-	-	-	1,869	-	-	-
Other comprehensive income	-	-	-	-	1,412	(9)	824	-	-	2,227	1,191	3,418
Loss for the period	-	-	-	-	-	-	-	-	(399,716)	(399,716)	2,380	(397,336)
Balance as of 30/06/2012	109,575	136,141	(6,516)	(11,115)	72,760	-	2,372	5,898	(1,197,186)	(888,071)	86,107	(801,964)
Balance as of 01/01/2013	109,575	136,141	(6,516)	(13,462)	35,911	-	(169)	5,898	(1,525,302)	(1,257,924)	71,547	(1,186,377)
Transfer to deficit	-	-	-	-	(347)	-	-	-	347	-	-	-
Other comprehensive income	-	-	-	-	320	-	798	-	-	1,118	1,997	3,115
Profit for the period	-	-	-	-	-	-	-	-	723	723	481	1,204
Balance as of 30/06/2013	109,575	136,141	(6,516)	(13,462)	35,884	-	629	5,898	(1,524,232)	(1,256,083)	74,025	(1,182,058)

See accompanying notes to consolidated financial statements on Exhibit E
which are an integral part of the consolidated financial statements taken as whole.

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 30 JUNE 2013, 2012 AND 2011 (UNAUDITED)

	2013	2012	2011
	US$'000	US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	190,082	262,878	318,846
Cash paid to suppliers and employees	(156,513)	(220,844)	(310,713)
Cash generated from operations	33,569	42,034	8,133
Interest paid	(10,352)	(14,391)	(56,026)
Profit sharing paid	-	(561)	(2,107)
Income tax paid	(283)	(488)	(804)
Receipts from insurance claim	117	1,201	1,810
Net cash provided by (used for) operating activities	23,051	27,795	(48,994)
CASH FLOWS FROM INVESTING ACTIVITIES			
Restricted cash	2,187	(1,164)	-
Withdrawal of other financial assets	-	-	(9,866)
Interest received	56	217	4,164
Net proceeds from sale of fixed assets	22,986	32,644	93,501
Capital expenditure	(3,540)	(5,015)	(100,210)
Net cash provided by investing activities	21,689	26,682	(12,411)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term loans	-	-	650,518
Proceeds from placement of new shares of a subsidiary - net of issuance expenses	-	-	113,553
Proceeds from other payables	-	3,600	2,422
Payment of long-term loans	(18,323)	(36,673)	(652,335)
Payments of obligations under finance lease	(16,939)	(20,934)	(28,984)
Net cash used for financing activities	(35,262)	(54,007)	85,174
INCREASE (DECREASE) IN CASH	9,478	470	23,769
CASH AT BEGINNING OF THE PERIOD	11,293	20,310	84,284
CASH AT END OF THE PERIOD	20,771	20,780	108,053

See accompanying notes to consolidated financial statements on Exhibit E which are an integral part of the consolidated financial statements taken as whole.

1. GENERAL

a. Establishment and general information

PT Berlian Laju Tanker Tbk (the Company) is a limited liability company incorporated in Indonesia. Its activities comprise mainly of local and overseas shipping services.

In 2010, the Company's articles of association have been amended as stated in notarial deed No. 26 dated 29 July 2010 of Amrul Partomuan Pohan S.H., LLM, notary in Jakarta, concerning, among others, the increase in the Company's paid up capital stock. The Company's parent and ultimate holding company is PT Tunggaladhi Baskara. Its ultimate controlling party is Mr. Hadi Surya.

The Company is domiciled in Jakarta and has two branches in Merak and Dumai. Its head office is located at Wisma Bina Surya Group (BSG), 10th Floor, Jl. Abdul Muis No. 40, Jakarta. In 2012, all representative office has been closed.

b. Public offering of shares, notes payable and bonds

Shares

The Company's offering of 2,100,000 shares to the public through the stock exchanges in Indonesia, at a price of Rp 8,500 per share, was approved by the Minister of Finance of the Republic of Indonesia in his Decision Letter No. S1-076/SHM/MK.01/1990 dated 22 January 1990. These shares were listed on the stock exchanges in Indonesia on 26 March 1990.

On 27 January 1993, the Company obtained the notice of effectivity from the Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam) (currently Otoritas Jasa Keuangan) in his letter No. S-109A/PM/1993 for its Rights Issue I to the stockholders totaling 29,400,000 shares at a price of Rp 1,600 per share. These shares were listed on the Jakarta and Surabaya stock exchanges on 24 May 1993.

On 26 December 1997, the Company obtained the notice of effectivity from the Chairman of Bapepam in his letter No. S-2966/PM/1997 for its Rights Issue II with pre-emptive rights to stockholders totaling to 305,760,000 shares with 61,152,000 warrants at an exercise price of Rp 1,200 per warrant. The holders of warrants can exercise the right to purchase from 16 July 1998 to 20 January 2003. Based on notarial deed No. 32 dated 17 October 2002 of Amrul Partomuan Pohan, S.H., LLM, notary in Jakarta, the Company decided to extend the period of warrants for five (5) years until 18 January 2008. If the warrants are not exercised during this period, the warrants will expire. The shares were listed on the Jakarta and Surabaya stock exchanges (BEI) on 16 January 1998.

The Company conducted a stock split of 4:1 in 2002 and 2:1 in 2004 thus, the warrants' exercise price since 2005 became Rp 150 per share.

On 18 December 2000, the Company obtained the notice of effectivity from the Chairman of Bapepam in his letter No. S-3690/PM/2000 for its Rights Issue III with pre-emptive rights to stockholders totaling 61,152,000 shares. The Company issued 53,958,150 new common shares with a nominal value of Rp 500 per share at a price of Rp 1,100 per share.

On 22 September 2006, the Company obtained the eligibility to list all of the Company's shares on the SGX Mainboard based on letter No. RMR/IR/YCH/260407 from the Singapore Exchange Limited (SGX). In line with the Company's listing of shares, the Company also amended certain provisions of its articles of association as approved by the shareholders in their Extraordinary Shareholders Meeting held on 11 September 2006.

On 29 June 2009, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK in his letter No. S-5658/BL/2009 for its Rights Issue IV with pre-emptive rights to shareholders. In connection with such rights issue, the Company issued 1,392,310,059 new common shares at an exercise price of Rp 425 per share.

On 30 June 2010, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK in his letter No. S-5872/BL/2010 for its Rights Issue V with pre-emptive rights to shareholders. In connection with such rights issue, the Company issued 5,569,240,235 new common shares at an exercise price of Rp 220 per share.

All 11,550,831,470 issued shares of the Company have been listed on BEI and SGX. On 24 January 2012, the Company requested temporary suspension of trading on both stock exchanges on grounds of future disclosure of material information that may affect investors' decision. On 25 January 2012, BEI and SGX suspended the trading of the Company's securities until further notice by the Company in the future period. On 26 January 2012, the Company announced the debt standstill to temporarily cease debt payments save for one of its subsidiaries. As at the issuance date of the financial statements, the Company has not resumed trading on both stock exchanges.

Notes payable and bonds

On 4 May 2007, and 17 May 2007, BLT Finance B.V., a subsidiary, issued US$ 400 million 7.5% Guaranteed Senior Notes due 2014 and US$ 125 million Zero Coupon Guaranteed Convertible Bonds due 2012, respectively, which were both registered on the SGX.

On 25 June 2007, the Company obtained the notice of effectivity from the Chairman of Bapepam - LK in his letter No. S-3117/BL/2007 for its public offering of Sukuk Ijarah Bonds year 2007 amounting to Rp 200 million and Berlian Laju Tanker III Bonds year 2007 amounting to Rp 700 million.

On 15 May 2009, the Company obtained the notice of effectivity from the Chairman of Bapepam - LK in his letter No. S-3908/BL/2009 for its public offering of Sukuk Ijarah II Bonds year 2009 amounting to Rp 100 million and Berlian Laju Tanker IV Bonds year 2009 amounting to Rp 400 million.

On 10 February 2010 and 29 March 2010, BLT International Corporation, a subsidiary, issued US$ 100 million and US$ 25 million, respectively, 12% Guaranteed Convertible Bonds due 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) in relation to the Company's listing of equity securities on the SGX.

Such IFRS consolidated financial statements have been prepared on the historical cost basis, except for vessels and certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Further, such IFRS consolidated financial statements are presented in US Dollars, which is the currency of the primary economic environment in which the Company and the majority of its subsidiaries operate (their functional currency). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The consolidated financial statements have been presented comparatively with the 2011 and 2010 consolidated financial statements due to the issuance of the 2012 and 2011 consolidated financial statements were authorized on the same date.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements are disclosed in Note 3.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. 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 those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss 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.

When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified 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 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from 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.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group' previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtain control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is 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 in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described at below.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. 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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Fixed assets

Vessels

Vessels are stated at their revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period. Depreciation of vessels is calculated on a straight line basis over the estimated useful life of the vessels between 5 – 30 years.

Any revaluation increase arising on the revaluation of such vessels is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease, for the same asset which was previously recognized in profit or loss, in which case the increase is credited to profit and loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such vessels is charged to profit or loss to the extent that it exceeds the balance, if any, held in the vessels revaluation reserve relating to a previous revaluation of such vessels.

Depreciation on revalued vessels is charged to profit or loss. As the vessels are used, a transfer is made from revaluation reserve to retained earnings equivalent to the difference between depreciation based on revalued carrying amount of the vessels and depreciation based on the vessels' original cost. On subsequent sale or retirement of a revalued vessel, the attributable revaluation surplus remaining in the vessels revaluation reserve is transferred directly to retained earnings.

Vessels in the course of construction are carried at cost less any impairment loss. Costs, including professional fees, incurred while under construction are capitalized in accordance with the Company's accounting policy. Depreciation of these vessels commences when the vessels are ready for their intended use. Borrowing costs are not capitalized because the vessels are measured at fair values.

The vessels' residual values, estimated useful lives and depreciation method are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on sale or retirement of vessels is determined as the difference between the sales proceeds and carrying amount of the vessel and is recognized in profit or loss.

Dry docking cost

Included in the balance of vessels is dry docking cost which is capitalized when incurred and is amortized on a straight line basis over the period to the next dry docking.

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Years
Buildings and premises	20
Oil tanks	10
Transportation equipment	5
Office furniture and fixtures	5
Office and dormitory equipment	5

Land rights are accounted for as operating leases and amortized over the lease term.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The cost of maintenance and repairs is charged to operations as incurred. Other subsequent expenditures which meet the asset recognition criteria are capitalized. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment loss are removed from the accounts and any resulting gain or loss is reflected in the current operations.

Construction in progress is stated at cost, which includes the progress billing paid in accordance with the construction contracts. Construction in progress is transferred to the respective other fixed assets account when completed and ready for use.

Depreciation begins when the other fixed assets become available for use.

An item of other fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in profit or loss in the year the item is derecognized.

The asset's residual values, estimated useful lives and depreciation method are reviewed at each financial year end with the effect of any changes in accounting estimate accounted for on a prospective basis.

Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the first-in, first-out method.

Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group's financial assets are classified into financial assets as at fair value through profit or loss (FVTPL), available-for-sale (AFS) and loans and receivables. The classification depends on the nature and purpose for which the asset was acquired and is determined at the time of initial recognition. The Group has not classified any of its financial assets as held to maturity (HTM).

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

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

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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 Group'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 IAS 39, Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement 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 and is included in the 'other gains and losses' line item in the consolidated statement of comprehensive income.

Available-for-sale investments (AFS)

AFS financial assets are non-derivative financial assets that are either designated in this category or not classified in other categories and are initially measured at fair value plus directly attributable transaction cost.

At subsequent reporting dates, AFS financial assets are stated at fair value. Fair value is determined in the manner described in Note 49. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated under the heading of investment revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated under the heading of investment revaluation reserve is reclassified to profit or loss.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognized in profit or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

AFS equity investments in Jiangsu Xinrong Shipyard Company Limited that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group’s loans and receivables comprise of cash and cash equivalent, restricted cash, trade and other accounts receivables and security deposits.

Impairment of financial assets

Financial assets, other than those carried at fair value through profit and loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including fund under investment management classified as AFS, 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-organization.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group' past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade 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 recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Company or subsidiaries at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges, which are recognized directly in profit or loss, and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Sale and leaseback

Assets sold under a sale and leaseback transaction are accounted for as follows:

If the sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is deferred and amortized over the lease term.

If the sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognized immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

For operating leases, if the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value is recognized immediately.

For finance leases, no such adjustment is necessary unless there has been an impairment in value, in which case the carrying amount is reduced to recoverable amount.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the 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 estimated of future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized 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.

Financial liabilities and equity instruments

Financial liabilities and equity instruments of the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument. The accounting policies adopted for specific financial liabilities are set out below.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. The difference between the selling price and the acquisition cost is recognised as "Difference in capital from treasury share transactions" under additional paid-in capital.

Financial liabilities

The financial liabilities of the Group are classified as either financial liabilities at fair value through profit and loss or other financial liabilities. The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Financial liabilities at fair value through profit and loss (FVTPL)

Financial liabilities at FVTPL have two subcategories: financial liabilities held for trading and those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future: or
- It is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking: or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability, other than a financial liability 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 liability 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 Group' 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 IAS 39 Financial Instruments: Recognition and Measurement, permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The Group's FVTPL financial liabilities comprise derivative financial instrument and notes payable for the years ended 31 December 2011 and 2010. At each reporting date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. Fair value is determined in the manner described in Note 49.

Other financial liabilities

Other financial liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest method.

Efective interest rate

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings.
The Group's other financial liabilities comprise of short-term loans, trade accounts payable, dividen payable, accrued expenses, other current liabilities, long-term loans, bonds payable, obligations under finance lease, other payable, liabilities arising from termination derivative financial instrument, notes payable (2012) and convertible bonds.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the obligations of the Group are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivative financial instruments are categorized as FVTPL and are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments are recognized in profit or loss as they are not designated and do not qualify for hedge accounting.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with changes in fair value recognized in profit or loss.

A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors consistent with the Company's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Post-employment benefits

The Company and certain subsidiaries provide defined post-employment benefits to their employees in accordance with Indonesian Labor Law No. 13/2003. No funding has been made to this defined benefit plan.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at the end of each reporting period. The accumulated unrecognized actuarial gains and losses that exceed 10% of the present value of the Company's defined benefit obligations is recognized on straight-line basis over the expected average remaining working lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits are already vested, or otherwise amortized on a straight-line basis over the average years until the benefits become vested.

The post-employment benefits obligation recognized in the consolidated statement of financial position represent the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

Provisions

Provisions are recognized when the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized 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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Revenue and expense recognition

Revenue from freight operations is recognized as income by reference to the percentage of completion of the voyage as at the end of the reporting period. Unearned revenue received is recognized as liability.

Time charter revenue is recognized on accrual basis evenly over the terms of the time charter agreements. Voyage freight is recognized evenly over the duration of each voyage. Revenues from agency services and storage services are recognized when the services are rendered to customers.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate.

Expenses are recognized in the period in which they are incurred.

Foreign currency

The individual financial statements of each of the consolidated entities are presented in the currency of the primary economic environment in which the entity operates (its functional c urrency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in US$, which is the Company's functional currency and presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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 on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's functional currency other than US$ are translated into US$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of an entity whose functional currency other than US$ (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that entity attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

Taxation

Tax income (expense) represents the sum of the final income tax, current tax and deferred tax.

Final income tax

Tax on income subject to final tax is presented as part of the tax expense.

Tax expense on revenues from vessels subject to final tax is recognized proportionately based on the revenue recognized in the current year. The difference between the final income tax paid and the amount charged as final income tax charge in profit or loss is recognized as prepaid tax or tax payable. Prepaid final income tax is presented separately from final income tax payable.

Deferred tax is not recognized for the difference between the financial statement carrying amounts of assets and liabilities if the related revenue is subject to final tax.

Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial position statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which 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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

Loss per share

Basic loss per share is computed by dividing loss for the year by the weighted average number of shares outstanding during the year.

Diluted loss per share is computed by dividing loss for the year by the weighted average number of shares outstanding as adjusted for the effect of all dilutive potential ordinary shares.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 2 to consolidated financial statements, management is required to make judgments, 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.

a. Judgments made in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see Note 3b below), that the management made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Lease classification

The Group entered into the sale and leaseback transactions of certain vessels. Management was required to consider whether to account for the sale and leaseback transactions as finance lease or operating lease.

In making its judgment, management considered the transfer of risks and rewards to ownership of the vessels. When substantially all the significant risks and rewards incidental to ownership of the vessels transfers to and rest with the lessors, the lease transactions will be recognized as operating leases.

Provision for income taxes

The Group has exposure to income taxes in relation to the significant judgement to determine the provision for income taxes. The Group submits tax returns on the basis of self-assessment and recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. The tax authorities may assess or amend taxes within the statute of limitation under the prevailing regulations. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the current tax and deferred tax in the period in which such determination is made.

Determination of functional currency

In determining the functional currencies of each entity in the Group, judgement is required to determine the currency that mainly influences sales prices for services and of the country whose competitive forces and regulations mainly determines the sales prices of its services. The functional currencies of each entity in the Group are determined based on management’s assessment of the economic environment in which the entities operate and the entities’ process of determining sales prices. When the indicators are mixed and the functional currency is not obvious, management should use its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

b. **Sources of uncertain estimation**

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, that have the significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Impairment loss on loans and receivables

The Group assesses their loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is objective evidence that loss event has occurred. The Group also evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In theses cases, the Group uses judgement, based on available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on available data, to record specific provisions for customers against amounts due to reduce its receivable amounts that the Group expects to collect. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of trade accounts receivables are disclosed in Note 11.

Determination of assets classified as held for sale

The Group determines asset classified as held for sale based on expectation that such asset will be disposed within 12 months in the future. The expectation has been over; however the Group has appropriate reason on such classification. Management believes that the determination of assets classified as held for sale is still relevant and appropriate with its initial objective, although such assets has not been disposed until the issuance of consolidated financial statements.

Valuation of vessels

Vessels are stated at fair value based on the valuation reviewed by management and supported by independent professional valuers. In determining the fair value, a method of valuation is used which involves certain estimates, including comparisons with recent sale transactions of similar vessels.

Further information in relation to the valuation of vessels is disclosed in Note 5. Management believes that chosen valuation techniques and assumption used are appropriate in determination of fair value of vessels.

Estimated useful lives and residual value of fixed assets

The useful lives of each of the item of Group's fixed assets are estimated based on the period over which the asset is expected to be used. Such estimation is based on internal technical evaluation. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset.

The Group also reviews the residual values of vessels at the end of each reporting period. Significant judgment is required in determining the residual values of its vessels. In determining the residual values of its vessels, the Group considers the net proceeds that would be obtained from the disposal of the assets in the resale or scrap markets, fluctuations in scrap steel prices and industry practice. A change in the estimated useful life and residual values of any item of assets would affect the recorded depreciation and amortization expense and the carrying values of such assets.

The Group reviews the estimated useful lives of fixed assets at the end of each annual reporting period. In 2012, management determined that useful lives of gas vessels should be longer (changed from 25 years to 30 years) due to technical review and past experience.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, decrease the consolidated depreciation expense in the current financial year and for the next 3 years, by the following amounts:

Tahun/*Years*	*Jumlah / Amount*
	US$'000
2012	2,941
2013	2,941
2014	2,941
2015	2,941

Impairment of goodwill

The Group is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Actual outcomes may vary. More information including carrying values is included in Note 7.

Contingencies

The Group is currently involved in various restructuring initiatives, including legal proceedings. An estimate of the probable costs associated with these intitiatives has been developed based upon an understanding of the procedures involved and likely outcomes. However, any material deviation in the expected procedures or outcomes may potentially affect the operations of the Group.

The Group does not believe that such legal proceedings are likely to have any significant or adverse effect on its consolidated financial statements.

4. SUBSIDIARIES

The consolidated financial statements include the accounts of the Company and its subsidiaries. The Company together with its subsidiaries will be herein after referred to as the “Group”.

The Company has direct share ownerships in Indigo Pacific Corporation, Diamond Pacific International Corporation and Asean Maritime Corporation (all domiciled in foreign country), all of which are operating as investment holding companies.

Details of the Group's subsidiaries, with direct or indirect share ownerships, which the Group has control over are as follows:

	Subsidiaries		Type of business	Domicile	Start of commercial operations	Percentage of effective ownership
1	Indigo Pacific Corporation		Investment holding company	Labuan, Malaysia	24 December 1997	100
1.1	Indigo Pacific Corporation		Investment holding company	British Virgin Islands	8 February 1993	100
1.1.1	Melani Maritime Inc.	b)	Owner and operator of vessel	Panama	24 February 1993	100
1.1.2	Zona Overseas International Shipping S.A.	b)	Owner and operator of vessel	Panama	24 June 1997	100
1.1.3	Kunti Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	11 October 2000	100
1.1.4	Jembawati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	15 November 2000	100
1.1.5	Tirtasari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	24 November 2001	100
1.1.6	Pergiwo Navigation Pte. Ltd.	b)	Owner and operator of vessel	Singapore	26 April 2002	100
1.1.7	Fatmarini Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	14 August 2002	100
1.1.8	Harsanadi Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	26 August 2002	100
1.1.9	Hartati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	26 August 2002	100
1.1.10	BLT Finance Corporation		Investment holding company	British Virgin Islands	20 June 2005	100
1.1.11	Pujawati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	10 March 2006	100
1.1.12	Pertiwi Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	12 March 2006	100
1.1.13	Anggraini Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	5 June 2006	100
1.1.14	Emerald Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	12 April 2006	100
1.1.15	BLT Finance B.V.		Investment holding company	The Netherlands	27 April 2007	100
1.1.16	Tridonawati Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	6 June 2007	100
1.1.17	Purbasari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	23 June 2007	100
1.1.18	Tridonawati Maritime Corporation	b)	Owner and operator of vessel	Liberia	21 June 2007	100
1.1.19	Trirasa Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	6 June 2007	100
1.1.20	Pramoni Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	16 April 2008	100
1.1.21	Fatmarini Shipping Pte. Ltd.	b)	Owner and operator of vessel	Singapore	12 October 2008	100
1.1.22	Frabandari Shipping Pte. Ltd.	b)	Owner and operator of vessel	Singapore	12 October 2008	100

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	Subsidiaries		Type of business	Domicile	Start of commercial operations	Percentage of effective ownership
1.1.23	Harsanadi Shipping Pte. Ltd.	b)	Owner and operator of vessel	Singapore	12 October 2008	100
1.1.24	Hartati Shipping Pte. Ltd.		Owner and operator of vessel	Singapore	12 October 2008	100
1.1.25	Nogogini Shipping Pte. Ltd.		Owner and operator of vessel	Singapore	12 October 2008	100
1.1.26	Nolowati Shipping Pte. Ltd.		Owner and operator of vessel	Singapore	12 October 2008	100
1.1.27	Ratih Shipping Pte. Ltd.		Owner and operator of vessel	Singapore	12 October 2008	100
1.1.28	Universal Grace Ltd.		Owner and operator of vessel	Hong Kong	24 September 2010	100
1.1.29	BLT Maritime Corporation		Investment holding company	Hong Kong	8 April 2011	100
1.1.29.1	Swank Ventures Ltd.		Investment holding company	Marshall Islands	31 Desember 2010	100
1.1.30	Rich King Ltd.	a)	Owner and operator of vessel	Hong Kong	18 July 2011	100
2	Diamond Pacific International Corporation		Investment holding company	Labuan, Malaysia	24 December 1997	100
2.1	Diamond Pacific International Corporation		Investment holding company	British Virgin Islands	9 February 1993	100
2.1.1	Lenani Maritime Inc.	b)	Owner and operator of vessel	Panama	24 February 1993	100
2.1.1.1	Ontari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	25 July 2002	100
2.1.2	Averina Maritime S.A.		Shipping agency	Panama	27 May 1998	100
2.1.3	Gandari Navigation Pte. Ltd.	b)	Operator of vessel	Singapore	26 April 2002	100
2.1.4	GBLT Shipmanagement Pte. Ltd.	c)	Ship management	Singapore	10 March 2002	100
2.1.4.1	GBLT Shipmanagement Ltd.	b)	Ship management	United Kingdom	2 February 2004	100
2.1.4.1.1	Harsanadi Shipping Ltd.	b)	Operator of vessel	United Kingdom	2 February 2004	100
2.1.4.1.2	Hartati Shipping Ltd.	b)	Operator of vessel	United Kingdom	2 February 2004	100
2.1.4.1.3	Frabandari Shipping Ltd.	b)	Operator of vessel	United Kingdom	2 February 2004	100
2.1.4.1.4	Fatmarini Shipping Ltd.	b)	Operator of vessel	United Kingdom	2 February 2004	100
2.1.4.1.5	Nolowati Shipping Ltd.	b)	Operator of vessel	United Kingdom	2 February 2004	100
2.1.4.1.6	Nogogini Shipping Ltd.	b)	Operator of vessel	United Kingdom	2 February 2004	100
2.1.4.1.7	Ratih Shipping Ltd.	b)	Operator of vessel	United Kingdom	2 February 2004	100
2.1.5	Cendanawati Navigation Pte. Ltd.	b)	Owner and operator of vessel	Singapore	25 July 2002	100
2.1.6	Frabandari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	14 August 2002	100
2.1.7	Brotojoyo Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	3 July 2003	100
2.1.8	Berlian Laju Tanker Pte. Ltd.		Operator of vessel	Singapore	3 July 2003	100
2.1.9	Anjasmoro Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	17 March 2004	100
2.1.10	Gas Lombok Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	20 March 2008	100

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	Subsidiaries		Type of business	Domicile	Start of commercial operations	Percentage of effective ownership
2.1.11	Gas Sumbawa Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	12 June 2008	100
2.1.12	Berlian Laju Tanker DMCC	c)	Shipping Agency	Dubai, United Arab Emirates	24 January2011	100
2.2	BLT LNG Tangguh Corporation		Operator of vessel	Marshall Islands	8 July 2005	100
3	Asean Maritime Corporation		Investment holding company	Labuan, Malaysia	16 September 1997	100
3.1	Gold Bridge Shipping Corporation		Investment holding company	British Virgin Islands	20 November 1996	100
3.1.1	Bauhinia Navigation S.A.	b)	Owner and operator of vessel	Panama	30 May 1996	100
3.1.2	Cempaka Navigation S.A.	b)	Owner and operator of vessel	Panama	23 June 1997	100
3.1.3	Gold Bridge Shipping Ltd.		Shipping agency	Hong Kong	27 April 1990	100
3.1.3.1	BLT Shipping Shanghai Co. Ltd.		Shipping agency	China	27 July 2006	100
3.1.4	Great Tirta Shipping S.A.		Owner and operator of vessel	Panama	23 June 1997	100
3.1.4.1	Dewayani Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	1 November 2002	100
3.1.5	Hopeway Marine Inc.		Owner and operator of vessel	Panama	22 November 1984	100
3.1.6	Lestari International Shipping S.A.	b)	Owner and operator of vessel	Panama	23 June 1997	100
3.1.6.1	Gandini Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	2 January 2002	100
3.1.7	Quimera Maritime S.A.	b)	Owner and operator of vessel	Panama	3 December 1993	100
3.1.8	South Eastern Overseas Navigation S.A.	b)	Owner and operator of vessel	Panama	26 May 1994	100
3.1.9	Zenith Overseas Maritime S.A.	b)	Owner and operator of vessel	Panama	23 June 1997	100
3.1.9.1	Gandari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	20 January 2002	100
3.1.10	Zona Shipping S.A.	b)	Owner and operator of vessel	Panama	23 June 1997	100
3.1.10.1	Dewi Sri Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	1 November 2002	100
3.1.11	Dahlia Navigation S.A.	b)	Owner and operator of vessel	Panama	29 January 1997	100
3.1.12	Eglantine Navigation S.A.	b)	Owner and operator of vessel	Panama	24 November 1997	100
3.1.13	Wulansari Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	6 April 2001	100
3.1.14	Yanaseni Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	18 April 2001	100
3.1.15	Indradi Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	13 September 2001	100
3.1.16	Gold Bridge Shipping Agencies S.A.		Shipping agency	Panama	26 September 2001	100
3.1.17	Elite Bauhinia Navigation Pte. Ltd.		Owner and operator of vessel	Singapore	24 November 2001	100
3.1.18	Cempaka Navigation Pte. Ltd.	b)	Owner and operator of vessel	Singapore	25 July 2002	100
3.1.19	Dahlia Navigation Pte. Ltd		Owner and operator of vessel	Singapore	25 July 2002	100
3.1.20	Freesia Navigation S.A.		Owner and operator of vessel	Panama	15 November 2002	100

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	Subsidiaries		Type of business	Domicile	Start of commercial operations	Percentage of effective ownership
3.1.21	Gerbera Navigation S.A.	b)	Owner and operator of vessel	Panama	29 November 2002	100
3.1.22	Mustokoweni Maritime Pte Ltd.	b)	Owner and operator of vessel	Singapore	12 August 2004	100
3.1.23	Ulupi Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	12 August 2004	100
3.1.24	Erowati Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	12 August 2004	100
3.1.25	Gas Papua Maritime Pte Ltd.		Owner and operator of vessel	Singapore	10 November 2004	100
3.1.26	Rasawulan Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	8 November 2004	100
3.1.27	Gas Sulawesi Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	10 November 2004	100
3.1.28	Gagarmayang Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	12 November 2004	100
3.1.29	Prita Dewi Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	13 November 2004	100
3.1.30	Purwati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	14 November 2004	100
3.1.31	Pradapa Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	8 January 2005	100
3.1.32	Pergiwati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	8 January 2005	100
3.1.33	Badraini Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	19 January 2005	100
3.1.34	Barunawati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	19 January 2005	100
3.1.35	Gas Maluku Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	8 April 2005	100
3.1.36	Barawati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	22 April 2005	100
3.1.37	Gas Bali Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	6 July 2005	100
3.1.38	Eustoma Navigation S.A.	b)	Owner and operator of vessel	Panama	12 August 2005	100
3.1.39	Puspawati Maritime Pte. Ltd.	b)	Owner and operator of vessel	Singapore	26 September 2005	100
3.1.40	Diamond Flow Ltd.	b)	Investment holding company	Hong Kong	18 January 2007	100
3.1.41	Likabula International Ltd.	c)	Investment holding company	Hong Kong	14 June 2007	100
3.1.42	Richesse International Corp		Investment holding company	British Virgin Islands	18 August 2006	100
3.1.42.1	Richesse Logistics (International) Ltd.		Investment holding company	Hong Kong	25 August 2006	100
3.1.42.1.1	Richesse Logistics (Fangcheng Port) Co. Ltd.		Storage and sale of chemical	China	12 juli 2007	see note below
3.1.43	Hyacinth Navigation S.A		Owner and operator of vessel	Panama	12 March 2008	100
3.1.44	Iris Maritime International S.A		Owner and operator of vessel	Panama	12 March 2008	100
3.1.45	Gerbera Navigation Pte. Ltd.		Owner and operator of vessel	Singapore	1 February 2011	100
3.2	BLT Chembulk Corporation		Investment holding company	British Virgin Islands	5 October 2007	100
3.2.1	Chembulk Tankers LLC		Investment holding company	Marshall Islands	25 January 2007	100
3.2.1.1	Chembulk Trading II LLC		Owner and operator of vessel	Marshall Islands	25 January 2007	100
3.2.1.2	Chembulk Management LLC		Ship management	United States of America	25 January 2007	100

	Subsidiaries		Type of business	Domicile	Start of commercial operations	Percentage of effective ownership
3.2.1.3	Chembulk Management B.V.	c)	Ship management	The Netherlands	22 May 2007	100
3.2.1.4	Chembulk Management Pte. Ltd.		Ship management	Singapore	29 March 2007	100
3.2.1.5	CBL Tankers Do Brasil Ltda.		Ship management	Brazil	17 July 2008	100
3.2.1.6	BLT Chembulk Group Europe A/S		Ship management	Denmark	10 February 2011	100
3.2.1.7	BLT Chembulk Group Corporation		Operator of vessel	British Virgin Islands	2 December 2010	100
3.2.2	Chembulk Barcelona Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.3	Chembulk Gibraltar Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.4	Chembulk Hong Kong Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.5	Chembulk Houston Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.6	Chembulk Kobe Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.7	Chembulk New York Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.8	Chembulk Savannah Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.9	Chembulk Shanghai Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.10	Chembulk Ulsan Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.11	Chembulk Virgin Gorda Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.12	Chembulk Yokohama Pte. Ltd.		Owner and operator of vessel	Singapore	2 November 2007	100
3.2.13	Chembulk New Orleans Pte. Ltd.		Owner and operator of vessel	Singapore	22 June 2008	100
3.3	BLT International Corporation		Investment holding company	British Virgin Islands	22 October 2009	100
4	PT Brotojoyo Maritime		Owner and operator of vessel	Indonesia	20 January 2003	99.99
5	PT Buana Listya Tama Tbk		Owner and operator of vessel	Indonesia	12 May 2005	50.46
5.1	PT Anjasmoro Maritime	b)	Owner and operator of vessel	Indonesia	24 March 2006	50.46
5.2	PT Pearl Maritime		Owner and operator of vessel	Indonesia	9 November 2006	50.46
5.3	PT Ruby Maritime		Owner and operator of vessel	Indonesia	9 November 2006	50.46
5.4	PT Sapphire Maritime		Owner and operator of vessel	Indonesia	9 November 2006	50.46
5.5	PT Citrine Maritime		Owner and operator of vessel	Indonesia	29 May 2006	50.46
5.6	PT Diamond Maritime		Owner and operator of vessel	Indonesia	29 May 2006	50.46
5.7	PT Emerald Maritime		Owner and operator of vessel	Indonesia	29 May 2006	50.46
5.8	PT Jade Maritime	a)	Owner and operator of vessel	Indonesia	19 May 2009	50.46
5.9	PT Onyx Maritime	a)	Owner and operator of vessel	Indonesia	19 May 2009	50.46
5.10	PT Topaz Maritime	a)	Owner and operator of vessel	Indonesia	19 May 2009	50.46
5.11	PT Bayu Lestari Tanaya	a)	Shipping agency	Indonesia	22 March 2005	50.46
5.11.1	PT Berlian Dumai Logistics	b)	General trading	Indonesia	16 November 2007	50.46
5.12	PT Gemilang Bina Lintas Tirta		Operator of vessel	Indonesia	10 November 2003	50.46
5.13	PT Karya Bakti Adil		Crew agency	Indonesia	20 November 2003	50.46

	Subsidiaries		Type of business	Domicile	Start of commercial operations	Percentage of effective ownership
5.14	PT BLT International Group	a)	Investment holding company	Indonesia	23 December 2009	50.46
5.15	PT BLT MEO	c)	Owner and operator of vessel	Indonesia	20 July 2010	50.46
5.16	BLT Shipping Corporation		Investment holding Company	British Virgin Islands	15 April 2011	50.46
5.17	BLT Marina Shipping Corporation	a)	Investment holding Company	British Virgin Islands	10 June 2011	50.46
5.18	PT Banyu Laju Shipping		Owner and operator of vessel	Indonesia	25 July 1991	see note below

a. Such subsidiaries as of 31 March 2013 are all inactive since the dates of incorporation.

b. Such subsidiaries have ceased their operations.

c. Such subsidiaries have been under liquidation or have been dissolved. For subsidiaries under liquidation, the proceeds of which are still undetermined as of reporting date.

Transfer of PT Banyu Laju Shipping (BLS) shares

Based on a share purchase agreement dated 27 June 2012, PT Buana Listya Tama Tbk and PT Bayu Lestari Tanaya, both subsidiaries, agreed to acquire 500 shares or 100% share ownership of BLS at par value amounted to Rp 974,500 thousand from the Company and PT Brotojoyo Maritime. Accordingly, the share ownership of the Company in BLS as of the date was changed to indirect share ownership of 50.46% resulting in the difference arising from the effect of transactions with non-controlling interest of US$ 2,439 thousand.

Increase in share capital of Richesse Logistics (Fangcheng Port) Company Limited (RLFP), subsidiary

In 2011, RLFP increased its registered share capital from RMB 100 million to RMB 150 million through a Shareholder Agreement, where it has been agreed that 50% of the new registered share capital, amounting to RMB 75 million would be taken up by the non-controlling shareholder. At the end of 2011, the non-controlling shareholder paid up capital of RMB 50 million. Accordingly, the indirect share ownership of the Company through Asean Maritime Corporation in RLFP was changed from 75% before the increase in registered share capital of RLFP to 60%, resulting in the difference arising from the effect of transactions with non-controlling interest of US$ 92 thousand.

In 2012, RLFP increased its registered share capital from RMB 125 million to RMB 150 million. The increase of RLFP's registered share capital amounting to RMB 25 million was taken by non-controlling shareholder. Accordingly, the indirect share ownership of the Company through Asean Maritime Corporation in the RLFP was changed from 60% before the increase in registered share capital of the subsidiary to 50%, resulting in RLFP being deconsolidated in 2012 and the fair value of investment in RLFP retained by the Group is nil. Due to the loss of control on subsidiary of RLFP, the Company transferred such investment under investment in associate and recognized a loss of loss control on subsidiary amounting to US$ 9,847 thousand.

Initial Public offering (IPO) and disposal of PT Buana Listya Tama Tbk (BULL) shares

On 10 May 2011, BULL obtained the notice of effectivity from the chairman of Bapepam-LK in his letter No. S-5214/BL/2011 for its IPO to the shareholders of 6,650,000,000 shares with Rp 100 par value per share and issuance of 3,325,000,000 series I Warrants. BULL's shares were listed on BEI on 21 May 2011. Accordingly, the Company's percentage of share ownership in BULL before the IPO was 100% and became 62.32% after the IPO, resulting in the difference arising from changes in equity of subsidiaries of US$ 1,420 thousand.

On 17 January 2012, the Company held Exchangeable Notes issued by PT Arjuna Perkasa Carpedia (APC) as settlement on available-for-sale financial assets in PT Danatama Makmur, that can be converted at any time into 495,377,000 BULL's shares or equal to 2.81% of total shares of BULL. In addition to the conversion option, APC also granted dividend rights and voting rights of the shares to the Company, hence the effective share ownership of the Company in BULL increased to 65.13%, resulting in the difference arising from changes in equity of subsidiaries of US$ 4,154 thousand.

In June 2012, Wyoming International Ltd (WIL) executed 2,589,538,604 shares of BULL or equal to 14.67% of the total shares of BULL. Accordingly, the Company's share ownership in BULL decreased to 50.46%, resulting in the difference arising from the effect of transactions with non-controlling interest of US$ 8,289 thousand.

5. FIXED ASSETS

	01/01/2013	Financial statements translation	Additions	Deductions	Reclassifications	Revaluations	30/06/2013
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost/Valuation:							
Owned vessels and equipment	1,240,836	-	3,540	34,407	-	16,806	1,226,775
Leased vessels	245,545	-	-	-	-	3,757	249,302
Vessels under construction	-	-	-	-	-	-	-
Others:							
Transportation equipments	1,561	-	-	78	-	-	1,483
Office furniture and fixtures	3,031	-	43	96	-	-	2,978
Office and dormitory equipments	979	-	1	-	-	-	980
Buildings and premises	2,177	-	-	543	-	-	1,634
Construction in progress	-	-	-	-	-	-	-
Total	1,494,129	-	3,584	35,124	-	20,563	1,483,152
Accumulated depreciation and impairment loss:							
Owned vessels and equipment	644,261	-	20,850	13,170	-	-	651,941
Leased vessels	67,404	-	3,757	-	-	-	71,161
Others:							
Transportation equipments	1,130	-	23	74	-	-	1,079
Office furniture and fixtures	2,825	-	97	70	-	-	2,852
Office and dormitory equipments	562	-	22	-	-	-	584
Buildings and premises	693	-	42	131	-	-	604
Total	716,875	-	24,791	13,445	-	-	728,221
Net carrying amount	777,254						754,931

PT BERLIAN LAJU TANKER Tbk AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2013 AND 2012 (UNAUDITED) AND 31 DECEMBER 2012 AND 2011 (AUDITED)
AND FOR THE PERIODS ENDED 30 JUNE 2013, 2012 AND 2011 (UNAUDITED)

	01/01/2012	Financial statements translation	Additions	Deductions	Reclassifications	Revaluations	31/12/2012
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost/Valuation:							
Owned vessels and equipments	1,670,859	-	9,257	299,151	17,025	(157,154)	1,240,836
Leased vessels	366,913	-	-	90,588	-	(30,780)	245,545
Vessels under construction	23,468	-	-	6,443	(17,025)	-	-
Others:							
Transportation equipments	1,788	-	-	227	-	-	1,561
Office furniture and fixtures	4,148	-	271	1,388	-	-	3,031
Office and dormitory equipments	1,028	-	11	60	-	-	979
Buildings and premises	3,381	-	-	1,204	-	-	2,177
Construction in progress	29,055	-	-	29,055	-	-	-
Total	2,100,640	-	9,539	428,116	-	(187,934)	1,494,129
Accumulated depreciation and impairment loss:							
Owned vessels and equipments	745,329	-	59,109	160,177	-	-	644,261
Leased vessels	66,912	-	10,576	10,084	-	-	67,404
Others:							
Transportation equipments	1,231	-	70	171	-	-	1,130
Office furniture and fixtures	3,689	8	260	1,132	-	-	2,825
Office and dormitory equipments	547	1	57	43	-	-	562
Buildings and premises	1,013	-	142	462	-	-	693
Total	818,721	9	70,214	172,069	-	-	716,875
Net carrying amount	1,281,919						777,254

	01/01/2012	Financial statements translation	Additions	Deductions	Reclassifications	Revaluations	30/06/2012
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost/Valuation:							
Owned vessels and equipments	1,670,859	-	5,015	96,850	17,025	11,165	1,607,214
Leased vessels	366,913	-	-	90,588	-	4,540	280,865
Vessels under construction	23,468	-	-	-	(17,025)	-	6,443
Others:							
Transportation equipments	1,788	-	-	198	-	-	1,590
Office furniture and fixtures	4,148	-	247	322	-	-	4,073
Office and dormitory equipments	1,028	-	11	8	-	-	1,031
Buildings and premises	3,381	-	-	-	-	-	3,381
Construction in progress	29,055	-	-	-	-	-	29,055
Total	2,100,640	-	5,273	187,966	-	15,705	1,933,652
Accumulated depreciation and impairment loss:							
Owned vessels and equipments	745,329	-	34,784	63,911	-	-	716,202
Leased vessels	66,912	-	6,036	10,084	-	-	62,864
Others:							
Transportation equipments	1,231	-	57	152	-	-	1,136
Office furniture and fixtures	3,689	7	158	115	-	-	3,739
Office and dormitory equipments	547	1	34	6	-	-	576
Buildings and premises	1,013	-	54	-	-	-	1,067
Total	818,721	8	41,123	74,268	-	-	785,584
Net carrying amount	1,281,919						1,148,068

	01/01/2011	Financial statements translation	Additions	Deductions	Reclassifications	Revaluations	31/12/2011
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost/Valuation:							
Owned vessels and equipments	2,246,787	(12)	75,571	221,549	196,770	(626,708)	1,670,859
Leased vessels	551,801	-	5,090	-	-	(189,978)	366,913
Vessels under construction	155,040	-	137,615	77,210	(191,977)	-	23,468
Others:							
Transportation equipments	2,048	-	86	346	-	-	1,788
Office furniture and fixtures	4,158	4	129	143	-	-	4,148
Office and dormitory equipments	1,021	2	38	33	-	-	1,028
Buildings and premises	3,275	-	107	1	-	-	3,381
Construction in progress	34,900	-	8,357	9,409	(4,793)	-	29,055
Advances for purchase of vessels	20,250	-	-	20,250	-	-	-
Total	3,019,280	(6)	226,993	328,941	-	(816,686)	2,100,640
Accumulated depreciation:							
Owned vessels and equipments	620,725	-	170,519	45,915	-	-	745,329
Leased vessels	46,401	-	20,511	-	-	-	66,912
Others:							
Transportation equipments	1,340		204	313	-	-	1,231
Office furniture and fixtures	3,209	2	613	135	-	-	3,689
Office and dormitory equipments	503	1	75	32	-	-	547
Buildings and premises	863	-	156	6	-	-	1,013
Total	673,041	3	192,078	46,401	-	-	818,721
Net carrying amount	2,346,239						1,281,919

Depreciation expenses were allocated as follows:

	2013	2012	2011
	US$'000	US$'000	US$'000
Vessel depreciation	24,607	40,820	66,768
Administrative expenses	184	293	472
Total	24,791	41,113	67,240

All sales of fixed assets are made with third parties. Gains (losses) on disposal of fixed assets during the periods are shown below:

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Net Proceeds from sale of vessels and equipment	21,899	139,223	32,939	110,537
Decrease in obligation under finance lease due to contract termination	-	111,922	111,922	-
Net carrying amount	21,237	219,479	113,443	175,634
Gains (losses) on disposal of vessels and equipment - net	662	31,666	31,418	(65,097)
Gains (losses) on disposal of fixed assets other than vessels - net	696	(92)	(294)	(234)
Gain (loss) on disposal of fixed assets - net	1,358	31,574	31,124	(65,331)

In 2013 and 2012, the additions to vessels and equipments consisted of docking expenses and capitalization.

The additions in vessels in 2011 consisted of the subsidiaries vessels whose construction had been completed (MT Iris, MT Gas Batam, MT Partawati and MT Widawati).

The reduction in vessels in 2013 included sale of vessel of the subsidiary MT Rengganis, MT Hyacinth, and MT Ratih.

The reduction in vessels in 2012 included sale of vessels of the subsidiaries (MT Larasati, MT Setyawati, MT Eustoma, MT Anggraini, MT Wulansari, MT Yanaseni, MT Ulupi, MT Rasawulan, MT Widawati, MT Jembawati, MT Trirasa, MT Tridonawati, MT Anjasmoro, MT Gas Lombok, and MT Gas Sumbawa).

The reduction in leased vessels in 2012 included redelivery of the subsidiaries vessels (MT Pramesti, MT Pitaloka and MT Wilutama).

The reduction in vessels in 2011 included sale of vessels of the subsidiaries (MT Gerbera, MT Partawati, MT Barunawati, MT Fatmarini, MT Frabandari, MT Mustokoweni, MT Cendanawati and MT Anjani).

The redelivery of leased vessels is part of the fleet restructuring by the Group to reduce vessels and establish an optimum fleet size to maximize profitability.

Also, in connection with the 2008 lease agreements, the Group paid non-interest bearing security deposits of US$ 22,195 thousand. The difference of US$ 7,164 thousand between the nominal value of the non-interest bearing deposits and their fair value is considered as deferred rent and amortized on a straight-line basis over the lease term. In 2012, the Group defaulted on the lease agreements, hence the balance of deferred gains on sale and leaseback transaction is recognized to profit or loss and the security deposits of US$ 21,899 thousand was charged as loss on seller's credit.

All of vessels and equipment were used as collateral for short term loans, long-term loans, obligations under finance lease and standby letter of credit facility.

In 2012, the Group defaulted on the remaining 3 gas vessel contracts and recognized liabilities arising from vessel in progress amounting to US$ 11,681 thousand and loss on termination of vessels in progress construction amounting to US$ 18,124 thousand. There is no vessel under construction as of 31 December 2012 and 30 June 2013.

Building in progress represented construction of chemical storage tanks and other related facilities.

The Group's vessels and equipment are insured for hull and machinery damages and war risk, Increased Value and Additional Owners Interest (I.V. & A.O.I) for US$ 903,300 thousand (30 June 2012: US$ 1,642,750 thousand, 31 December 2012: US$ 1,148,250 thousand and 31 December 2011: US$ 1,788,610 thousand), with LCH Insurance (S) Pte. Ltd. and Sompo Japan Insurance Inc. They are also insured for losses of third parties from vessel operations such as environmental pollution caused by accidents (Protection and Indemnity or P&I).

Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

6. GOODWILL

This account represents the difference between acquisition cost of subsidiaries and fair value of net assets acquired as follows:

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Goodwill	84,286	84,286	84,286	84,286
Less accumulated impairment losses	(72,845)	(72,845)	(48,331)	(48,331)
Net goodwill	11,441	11,441	35,955	35,955

The Group tests goodwill at each reporting date to determine if there are indications that goodwill might be impaired. For impairment testing purposes, goodwill amounting to US$ 72,354 thousand and US$ 15,056 thousand had been allocated to Chembulk Tankers LLC and Gold Bridge Shipping Corporation, respectively, the cash generating units determined by the Group that were expected to benefit from the business combination.

As of 31 December 2012, there was goodwill impairment amounting to US$ 24,514 thousand including the entire carrying amount of goodwill allocated to Gold Bridge Shipping Corporation of US$ 11,932 thousand in relation to the disposal of all its vessels (31 December 2011: US$ 39,784 thousand).

The recoverable amounts of the cash-generating units are determined from value-in-use calculations. Key assumptions for the value-in-use calculations are discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates the discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash-generating unit. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management. The rate used to discount the forecasted cash flows from the cash generating units is the average borrowing rate at the reporting date as adjusted to estimate the rate that the market would expect from the investment. This rate does not exceed the average long-term growth rate for the relevant markets.

7. INVESTMENTS IN ASSOCIATES

The following entities have been included in the consolidated financial statements using equity method:

Name of associate	Place of incorporation	Place of operation	Nature of business	Percentage of ownership and voting power held			
				30/06/2013	31/12/2012	30/06/2012	31/12/2011
				%	%	%	%
Teekay BLT Corporation	Marshall Islands	Indonesia	Cargo shipping services	30.00	30.00	30.00	30.00
Thai Petra Transport Co. Ltd.	Thailand	Thailand	Port services (agency)	30.00	30.00	30.00	30.00
PT Berlian Limatama	Indonesia	Indonesia	Cargo shipping services	50.00	50.00	50.00	50.00
Richesse Logistics (Fangcheng Port) Company Limited	China	China	Storage and sales of chemical product	50.00 *)	50.00 *)	-	-

*) This subsidiary was deconsolidated in 2012 due to dilution of share ownership

Changes in investments in associates under the equity method are as follows:

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Beginning balance	11,088	5,017	5,017	7,955
Share in profit (loss) for the period	7,655	6,071	2,445	(2,938)
Ending balance	18,743	11,088	7,462	5,017

8. OTHER FINANCIAL ASSETS

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Financial asset at fair value through profit or loss (FVTPL)				
Suisse Charter Investments Ltd	-	-	316	18,061
PT Panin Sekuritas	-	-	-	330
Total	-	-	316	18,391
Available-for-sale financial assets				
Nevaeh Limited	34,302	34,302	34,302	34,302
PT Danatama Makmur	-	-	-	9,509
Total	34,302	34,302	34,302	43,811
Fair value	34,302	34,302	34,618	62,202
Current	-	-	316	27,900
Non-current	34,302	34,302	34,302	34,302
Fair value	34,302	34,302	34,618	62,202

Suisse Charter Investments Ltd

A subsidiary entered into an Investment Service Agreement with Suisse Charter Investments Ltd (SCI) to manage funds which will be invested in securities, certificates of deposit, participation units in collective investment contracts and mutual funds and other instruments. The investment was placed as collateral to Wyoming International Ltd (WIL) for the sale and purchase agreement of securities with the option to repurchase. The fair value of the investment as of 31 December 2011 amounted to US$ 18,061 thousand. The subsidiary recognized loss on changes in fair value amounting to US$ 12,099 thousand in 2011.

In January 2012, the subsidiary continued to recognize loss on the investment and decided to terminate the Investment Service Agreement with the option of realizing such investment in BULL's shares equivalent to the fair value of the investment, amounting to US$ 8,635 thousand or 1,637,460,478 of BULL's shares.

Nevaeh Limited

In 2009, Asean Maritime Corporation (AMC), a subsidiary acquired 45% share ownership in Brilliant Hero Industrial Limited (BHIL), an investment holding company, and an effective share ownership of 21.80% in Jiangsu Xinrong Shipyard Company Limited (JXSCL), engaged in ship repair, conversion and steel structure, through the acquisition of 100% share ownership in Nevaeh Limited (NL), an investment holding company, at an acquisition cost of US$ 66,231 thousand.

On 1 November 2010, AMC sold 49% of its ownership in NL to Mitsui & Co. Ltd., a third party.

Although AMC has 51% ownership in NL after the sale of investment in shares in NL, AMC does not have control over the financial policies and daily operations of NL, hence NL is not consolidated in the financial statements. Further, NL is unable to exercise significant influence over BHIL. Hence NL transferred such investment in BHIL to available-for-sale investment.

PT Danatama Makmur

The Company entered into an Investment Management Contract Service Agreement dated 18 December 2007, with PT Danatama Makmur to manage funds, which will be partly or wholly invested in cash, time deposits, bonds, notes payable, shares, foreign currency, convertible bonds, warrants, options, derivative contracts and other securities including collective investment scheme. In January 2012, such investment has been settled with Exchangeable Notes.

9. INVENTORIES

Inventories mainly consist of bunker fuel.

Inventories of subsidiaries are pledged as collateral to long-term loan from Bank Negara Indonesia.

10. TRADE ACCOUNTS RECEIVABLE

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
By Debtor				
Related parties				
PT Arpeni Pratama Ocean Line Tbk	87	107	108	161
Pan Union Shipping Pte. Ltd.	47	96	22	-
PT Garuda Mahakam Pratama	-	38	-	-
Sub-total	134	241	130	161
Third parties				
Owned and chartered vessels	49,444	55,394	65,881	80,503
Agency	8,198	5,962	7,908	13,855
Sub-total	57,642	61,356	73,789	94,358
Allowance for impairment losses on receivables	(2,854)	(2,854)	-	-
Sub-total	54,788	58,502	73,789	94,358
Total	54,922	58,743	73,919	94,519
By Currency				
U.S. Dollar	55,731	57,970	70,603	89,582
Rupiah	1,247	1,798	1,524	2,858
Euro	650	1,660	1,096	1,216
Singapore dollar	78	83	580	628
Yen	8	13	41	154
Other currencies	62	73	75	81
Sub-total	57,776	61,597	73,919	94,519
Allowance for impairment losses on receivables	(2,854)	(2,854)	-	-
Total	54,922	58,743	73,919	94,519

Before accepting any new customer, the Group assesses the potential customer's credit quality.

There were no trade accounts receivable from a customer that represented more than 5% of total trade accounts receivable.

The Group does not hold any collateral over these balances. The allowance for impairment of trade receivables amounted to US$ 2,854 thousand as of 31 December 2012 and 31 September 2013.

Based on a review of the status of the individual receivables at the end of the period, the Group's management believed that the above allowance for impairment of trade receivables was sufficient to cover the losses that might arise from impairment of trade receivables.

The trade receivables of subsidiaries are pledged as collateral to long-term loans from Bank Negara Indonesia and Bank Syariah Mandiri.

11. RESTRICTED CASH

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
ING Bank				
Time deposits	9,202	9,150	-	-
Current accounts	-	-	9,116	9,116
DNB Bank ASA				
Escrow account	-	1,164	1,164	-
DNB's nostro account	2,819	8,731	-	-
Total	12,021	19,045	10,280	9,116
Current assets	2,819	9,895	1,164	-
Non-current assets	9,202	9,150	9,116	9,116
Interest rate per annum	0,012% - 0,74%	0,012% - 0,74%	0,74%	0,74%

Restricted cash in ING Bank represents security placed in relation to the standby letter of credit facility of US$ 25.6 million.

Restricted cash in DNB Bank ASA consists of a subsidiary's escrow account (non-interest bearing) and nostro account maintained by DNB Bank ASA. The amounts in both accounts are proceeds from sale of vessels secured to DNB Bank ASA and are restricted as debt reserves to service the Working Capital Facility.

12. CASH

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Cash on hand	540	502	1,186	858
Cash in banks				
Rupiah				
Bank Syariah Mandiri	1,051	1,397	2,190	1,652
Bank Negara Indonesia	360	338	17	21
Others (below US$ 1,300 thousand each)	374	174	382	884
U.S. Dollar				
DNB ASA Bank	5,113	2,945	7,335	141
Citibank	4,285	2,734	1,134	2,477
ING Bank	3,348	1,891	302	1,767
Nordea Bank	2,511	144	3,112	1,515
Others (below US$ 3 million each)	2,046	989	1,329	7,496
Other currencies (below US$ 3 million each)	1,059	105	3,149	3,428
Total bank	20,147	10,717	18,950	19,381
Time Deposits				
Rupiah				
Others (below US$ 3 million each)	63	52	65	55
US Dollar				
Others (below US$ 3 million each)	-	-	557	-
Singapore Dollar				
Others (below US$ 3 million each)	21	22	22	16
Total time deposits	84	74	644	71
Total cash	20,771	11,293	20,780	20,310
Interest rates per annum on time deposits				
Rupiah	5,25% - 6,16%	5,25% - 6,16%	5,75% - 6,16%	5,75% - 6,16%
Singapore Dollar	0.7%	0.7%	0.7%	0.7%

13. ASSETS CLASSIFIED AS HELD FOR SALE

On 28 December 2011, BLT Maritime Corporation and BLT Shipping Corporation, both subsidiaries, purchased 30,000 shares and 20,000 shares or equal to 60% and 40%, shares ownership of Liville Offshore Limited in respectively Swank Ventures Ltd (SVL) with purchase price amounting to US$ 135,000 thousand. SVL is incorporated in British Virgin Islands and has a warrant agreement with PT Umine Energy Indonesia (Umine) to exercise 179,611 shares or equal to 15.23% of Umine shares. Umine is a group of coal companies in Indonesia.

In accordance with the Restructuring Plan, the Group has commitments to dispose non-core assets at fair price in order to strengthen the Group's financial position. Accordingly, this asset is classified as held for sale. As at reporting date, the Group has yet to realise its disposal but continues to actively seek options in realising such sale. As such, the asset remains classified as held for sale. The Group has not recognized any impairment losses in respect of SVL's assets, neither when SVL was classified as held for sale, nor at the end of the reporting period.

14. SHARE CAPITAL

The composition of shareholders based on registries maintained by the Company's Securities Administration Agency (Biro Administrasi Efek), PT Sinartama Gunita, and PT Kustodian Sentral Efek Indonesia as of 30 June 2013, 31 December 2012, 30 June 2012 and 31 December 2011 is as follows:

Name of shareholders	Number of shares	Percentage of ownership	Total paid-up capital
		%	US$'000
PT Tunggaladhi Baskara	4,383,489,018	37.95	41,583
Citibank Singapore S/A CBSG-CDP-Indonesia c/o Citibank, N.A.	1,720,102,893	14.89	16,316
Widihardja Tanudjaja	2,620,800	0.02	25
Berlian Employees Cooperative	2,422,056	0.02	23
Siana Anggraeni Surya	62,400	0,00	1
Public (below 5% each)	5,442,134,303	47.12	51,627
Total	11,550,831,470	100.00	109,575

15. ADDITIONAL PAID-IN CAPITAL

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Share premium				
Balance at beginning of year	136,141	136,141	136,141	209,003
Difference in capital on treasury share transaction	-	-	-	(72,856)
Exercise of convertible bonds	-	-	-	(6)
Total	136,141	136,141	136,141	136,141

16. TREASURY SHARES

At the Extraordinary General Meeting of Shareholders, as stated in notarial deed No. 47 dated 31 May 2006 of Amrul Partomuan Pohan, S.H., LL.M, notary in Jakarta, the shareholders approved to repurchase a maximum of 10% of the issued and paid-up shares, at purchase price of Rp 2,750 per share until 31 May 2007.

The total number of treasury shares amounted to 31,050,000 shares or 0.27% (2011: 31,050,000 shares or 0.27% and 2010: 412,351,000 shares or 3.57%) of its issued and paid-up capital.

17. DIFFERENCE ARISING FROM CHANGES OF EQUITY OF SUBSIDIARIES AND EFFECTS OF TRANSACTIONS WITH NON-CONTROLLING INTEREST

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Transfer of BLS shares to BULL	(2,439)	(2,439)	-	-
Initial public offering of BULL shares	1,420	1,420	1,420	1,420
Execution of pledged BULL shares	(8,289)	(8,289)	(8,289)	-
Exchangeable notes recognized as addition of investment shares in BULL	(4,154)	(4,154)	(4,154)	-
Dilution of the Company's share ownership in Richesse Logistics (Fangcheng Port) Co. Ltd.	-	-	(92)	(92)
Total	(13,462)	(13,462)	(11,115)	1,328

18. RESERVES

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
General reserves	5,898	5,898	5,898	5,898
Revaluation reserves	35,884	35,911	72,760	73,217
Financial statements translation	629	(169)	2,372	1,548
Investments revaluation	-	-	-	9
Total	42,411	41,640	81,030	80,672

19. DEFICIT

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Balance at beginning of the year	(1,525,302)	(799,339)	(799,339)	178,621
Income (loss) for the period	723	(726,291)	(399,716)	(1,019,485)
Transfer from revaluation surplus	347	328	1,869	41,525
Balance at end of the year	(1,524,232)	(1,525,302)	(1,197,186)	(799,339)

20. NON-CONTROLLING INTEREST

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Balance at beginning of the year	(71,547)	(63,524)	(63,524)	-
Share of profit (loss) for the year	(481)	(923)	(2,380)	41,190
Loss of control of subsidiary	-	-	1	-
Share of other comprehensive income for the year	(1,997)	6,435	(1,191)	13,916
Non-controlling interest arising from initial public offering of BULL shares	-	-	-	(110,713)
Non-controlling interest arising from transfer of BLS shares to BULL	-	(2,439)	-	-
Non-controlling interest arising from execution of pledged BULL shares	-	(23,153)	(23,153)	-
Non-controlling interest relating to exchangeable notes recognized as addition of investment shares in BULL	-	4,147	4,147	-
Non-controlling interest relating to dilution of the Company's share ownership in Richesse Logistics (Fangcheng Port) Co. Ltd.	-	7,917	-	(7,917)
Non-controlling interest arising from acquisition of SVL	-	(7)	(7)	-
Balance at end of the year	(74,025)	(71,547)	(86,107)	(63,524)

21. LONG-TERM LOANS

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Restructured loans (PKPU):				
DNB Bank ASA (formerly DnB NOR Bank ASA), Singapore/ BNP Paribas/ING Bank N.V./ NIBC Bank Ltd/Nordea Bank Finland Plc/ Standard Chartered Bank/ Skandinaviska Enskilda Banken AB (publ) - Mandated Lead Arrangers (MLA)				
- MLA Loan	540,294	550,300	594,717	618,189
- Working Capital Facility	10,000	-	-	-
Bank Mandiri	28,439	27,454	26,332	27,569
Dialease Maritime SA/Mitsubishi UFJ Lease & Finance Co. Ltd.	13,409	25,346	-	28,873
Bank Mizuho Indonesia	13,012	13,645	-	-
Clio Marine Inc/Mitsui Bank	9,533	12,744	27,721	-
Bank Central Asia	4,955	4,837	4,857	5,468
Sub-total	619,642	634,326	653,627	680,099
Other long-term loans:				
Bank Negara Indonesia	28,235	29,232	30,000	32,226
Deutsche Investitions Und-Entwicklungsgesellschaft mbH	23,515	25,315	27,114	29,750
Indonesia Eximbank	19,513	20,036	20,438	21,366
Bank Syariah Mandiri/Bank Syariah BRI/ Bank Muamalat Indonesia/ BPD Jatim Divisi Usaha Syariah	11,617	12,006	12,342	14,292
Bank Syariah Mandiri/ Bank Pembangunan Daerah Jawa Timur/ Bank Muamalat Indonesia/ Bank Jabar Banten Syariah	11,481	11,788	15,362	22,982
Bank Mega	10,144	10,357	10,570	11,306
Dialease Maritime S.A., Japan	-	-	3,858	3,858
Total	724,147	743,060	773,311	815,879
Unamortized loan transaction cost	(45)	(612)	-	(13,068)
Current maturities	(4,569)	(22,611)	(91,392)	(689,218)
Long-term portion - Net	719,533	719,837	681,919	113,593
Interest rates per annum during the period				
U.S. Dollar - Variable	1.45% - 4.75% above LIBOR/ SIBOR	1.45% - 4.75% above LIBOR/ SIBOR	1.45% - 4.75% above LIBOR/ SIBOR	1.45% - 4.75% above LIBOR/ SIBOR
Rupiah - Variable	10.25% - 13.5%	10.25% - 13.5%	10.25% - 13.5%	10.25% - 13.5%
Yen - Variable	2% - 4% above JPY LIBOR	2% - 4% above JPY LIBOR	2% - 4% above JPY LIBOR	2% - 4% above JPY LIBOR

Details of the restructured loans under PKPU are as follows:

a. **DNB Bank ASA (formerly DnB NOR Bank ASA), Singapore, BNP Paribas, ING Bank N.V., NIBC Bank Ltd, Nordea Bank Finland Plc, Standard Chartered Bank, Skandinaviska Enskilda Banken AB (publ) - Mandated Lead Arrangers (MLA).**

In February 2011, a subsidiary obtained Senior Secured Credit Facilities with maximum credit of US$ 685 million from the MLA (MLA Loan), which consists of:

- Facility A amounting to US$ 615 million was used for refinancing the Group's loans. This loan is payable in 18 quarterly instalments of US$ 15,400 thousand and a final instalment payment of US$ 337,800 thousand upon maturity on February 2016. This facility is secured by a registered mortgage on subsidiaries' vessels.

- Facility B amounting to US$ 70 million was used for financing the construction of new vessels. The tenor for each of the Facility B loans is less than 5 years.

In May 2011, Skandinaviska Enskilda Banken AB (publ) joined as one of the lenders. Interest rate is at LIBOR plus 3.15% per annum.

As of 31 December 2011, the subsidiary reclassified this loan to current liability in relation to breach of debt covenants stipulated in the loan agreement. However, the subsidiary did not charge the transaction cost of such loan amounting to US$ 12,103 thousand. Such transaction cost was charged in 2012.

On 11 January 2012, DNB Bank ASA (formerly DnB NOR Bank ASA), Singapore sent notice of default to the subsidiary and the Company as the loan guarantor for failing to fulfill debt covenants as stipulated in the loan agreement.

Following the ratification of the Restructuring Plan on 22 March 2013, the subsidiary was able to draw down the Working Capital Facility under the MLA Loan facility which was previously accounted for as restricted cash in 2012.

The Working Capital Facility has a maximum drawdown amount of US$ 19.4 million. The facility is to be repaid pursuant to the terms stated under the Restructuring Plan, is not capable of being redrawn and subject to interest (LIBOR + 3.15% per annum) payable in arrears from 30 June 2013 in accordance with the cash waterfall principles set out in the Restructuring Plan. The facility is of super senior priority, to be repaid in full prior to debt service with respect to other restructured debts and matures on 31 March 2015.

b. **Bank Mandiri**

In May 2009, the Company obtained a financing facility from Bank Mandiri (Mandiri) with a maximum credit amount of Rp 500 billion payable in 18 quarterly instalments until 2013. This loan is collateralized by the Company's and certain subsidiaries' vessels. Interest rate is at 13.5% per annum which is reviewed periodically, and is paid monthly.

As of 31 December 2011, the Company reclassified this loan to current liability in relation to breach of debt covenants stipulated in the loan agreement. However, the Company did not charge the transaction cost of such loan amounting to US$ 153 thousand. Such transaction cost was charged in 2012.

On 30 May 2012, Mandiri declared event of default for deferred payment of obligations in accordance with the loan agreement.

c. **Dialease Maritime SA/Mitsubishi UFJ Lease & Finance Co. Ltd.**

The loan from Dialease Maritime SA/Mitsubishi UFJ Lease & Finance Co. Ltd. (Dialease) is obtained through a JPY 2,537 million (equivalent to US$ 28,431 thousand) mortgage facility. This loan is payable in 84 monthly instalments with a balloon payment of JPY 1,551 million on the last repayment date. Such loan is secured by the subsidiary's vessel and corporate guarantees by the Company and Gold Bridge Shipping Corporation subsidiary. Interest rate is at Yen LIBOR plus 2% per annum.

On 28 March 2012, Dialease declared event of default for deferred payment of obligations in accordance with the loan agreement.

d. **Bank Central Asia**

The loan from Bank Central Asia (BCA) was obtained through an instalment loan facility with a total maximum credit of Rp 170 billion. This loan is payable in monthly instalments until 2012 and bears interest at 10.25% per annum which is reviewed periodically and is payable monthly.

In November 2006, the Company obtained an investment credit facility with a maximum credit of US$ 34 million from BCA. This loan is payable in 84 monthly installments until 2013 and collateralized by a subsidiary's vessel. Interest rate is at SIBOR plus 1.5% per annum, which is paid monthly. This loan was paid in December 2010.

In January 2005, the Company obtained an investment credit facility with maximum credit of Rp 125 billion, due in 5 years and bears floating interest rate which is paid monthly. The loans are collateralized by certain Company's vessels. This loan was paid in January 2010.

As of 31 December 2011, the Company reclassified this loan to current liability in relation to breach of debt covenants stipulated in the loan agreement. However, the Company did not charge the transaction cost of such loan amounting to US$ 9 thousand. Such transaction cost was charged in 2012.

Following the events of default, the loan creditors submitted their respective claims under PKPU. In association with the PKPU matters, the Company proposed the Restructuring Plan to restructure the long-term loans.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

a) **DNB Bank ASA (formerly DnB NOR Bank ASA), Singapore, BNP Paribas, ING Bank N.V., NIBC Bank Ltd, Nordea Bank Finland Plc, Standard Chartered Bank, Skandinaviska Enskilda Banken AB (publ) - Mandated Lead Arrangers (MLA)**

- Principal of US$ 562.9 million (estimated - includes the original principal amount of US$ 550.3 million plus capitalised interest up to and including 31 March 2013, estimated to be approximately US$ 12.6 million).

- Working Capital Facility US$ 19.4 million, to be repaid pursuant to the cash water fall principles set out in the Restructuring Plan and is not capable of being redrawn, and subject to interest LIBOR + 3.15% per annum, payable in arrears from 30 June 2013 out of excess cash above the minimum cash buffer of US$ 25 million.

- Forgive all outstanding and unpaid interest prior to 1 July 2012.

- Amortisation over a repayment period of the date commencing from 1 April 2013 to the maturity date which is (i) 10th anniversary thereof from the date that this Plan is ratified by the Jakarta Court, (ii) the earliest maturity date of any loan extended by any unsecured creditor (apart from the trade creditors), or (iii) 31 March 2023, whichever is the earliest to occur (Maturity Date) with equal quarterly instalments commencing year 3.

- Interest (LIBOR + 3.15%) on the portion that does not comprise Working Capital Facility to be capitalised from 1 July 2012 until 31 March 2015 if there is insufficient excess cash above the minimum cash buffer of US$ 25 million to service interest pursuant to the cash waterfall principles set out in the Restructuring Plan, thereafter quarterly cash pay (in arrears) from 30 June 2015.

- Accelerated repayment from cash sweep or sale of Requested Security.

- Provision of the requested security (Chembulk/Coal Mine/shares in BULL (other than shares already pledged to other creditors or transferred to the US$ Bondholders pursuant to this Plan)/Teekay/BULL SPV Security/Teekay SPV Security) for the Working Capital Facility. Such Requested Security (other than the shares in Chembulk) shall be released by the MLA Lenders for necessary fund raisings subject to approval by the MLA Lenders and (i) the full repayment of the Working Capital Facility and (ii) the Cash Buffer being maintained.

- Provision of the BULL-Teekay SPV Security which will secure (i) the Working Capital Facility in Years 1 and 2 and (ii) up to US$ 17,199,828 of the aggregate of the principal due to the MLA Lenders and the US$ Bondholders, and the interest payments to the MLA Lenders and the US$ Bondholders in Years 3 and 4.

- In the event that the BULL-Teekay SPV Security or any part thereof is realised in Year 3 or 4, the cumulative proceeds of any such realisations shall be shared as follows; First, in satisfaction of the costs and expenses of enforcement; Second, in satisfaction of all amounts due under the Working Capital Facility; Third, in satisfaction of amounts due to the US$ Bondholders and the MLA Lenders on a fifty/fifty basis so that each dollar of proceeds received shall be paid, as to 50% thereof, to or for the account of the US$ Bondholders and, as to 50% thereof, to or for the account of the MLA Lenders, subject to a maximum of US$ 8,599,914 each; and Fourth, any balance proceeds of enforcement in excess of US$ 17,199,828 shall be subject to the cash waterfall principles set out in the Restructuring Plan.

- Enforcement of the BULL-Teekay SPV Security to satisfy payments of interest to the MLA Lenders and/or the US$ Bondholders in Year 3 and Year 4 shall not cause an event of default under the Plan, nor shall an event of default occur if the proceeds of realisation of the BULL-Teekay SPV Security are, after application thereof towards repayment of the secured indebtedness, sufficient to cover any such interest payments due and owing.

- Intercreditor or subordination agreement to be signed between the MLA Lenders and the US$ Bondholders to govern their respective priorities and obligations in respect of the BULL-Teekay SPV Security in the manner set out above.

- The Company and the MLA Lenders may agree by mutual consent to sell any secured vessels.

b) **Bank Mandiri**

- Principal of Rp 249 billion and forgive all outstanding and unpaid interest prior to 1 July 2012.

- Principal amortisation over a repayment period of the date commencing from 1 April 2013 to the maturity date which is (i) the 10th anniversary thereof from the date that this Restructuring Plan is ratified by the Jakarta Court, (ii) the earliest maturity date of any loan extended by any unsecured creditor (apart from trade creditors), or (iii) 31 March 2023, whichever is the earliest to occur (Maturity Date) with 32 equal quarterly instalments commencing year 3 with the first instalment starting 30 June 2015.

- Interest (3 month JIBOR + 7.5 %) capitalised from 1 July 2012 until 31 March 2014, then quarterly cash pay from 30 June 2014 provided that there is sufficient cash in year 2 to (i) build up the US$ 25 million minimum cash buffer, (ii) pay cash interest on the Working Capital Facility, (iii) pay principal on the Working Capital Facility, and if any of these conditions are not met for any quarter in year 2, such payments of interest in year 2 will be capitalised and added to principal pursuant to the cash waterfall principles set out in the Restructuring Plan.

- The rights of Mandiri to call an event of default in respect of the Restructuring Plan are as follows; If Mandiri still holds security over any vessel owned or operated by the Company, an event of default can be called for non payment of principal and interest after year 2; or If Mandiri no longer holds security over any vessel owned or operated by the Company, an event of default can be called for non payment of interest and principal after year 4.

- Accelerated repayment from cash sweep.

- The Company and BULL agree that it will sell the vessels which are secured to Mandiri (i.e. namely MT Gas Jawa, MT Gas Sumatera, MT Bramani, MT Pradapa, MT Ontari and MT Kunti) at a sale price agreed and acceptable to Mandiri, provided that Mandiri gives reasonable notice in providing its request and that the sale of a vessel is conducted as an arm's length commercial transaction and that the sale price is at the vessel's market value. In particular, BULL will provide Mandiri with a written agreement within 3 months from the date that the Restructuring Plan is ratified by the Jakarta Court that it will agree to sell the vessels secured to Mandiri.

- Payment to Mandiri of 90% of the sale price of "MT Gas Jawa" and "MT Gas Sumatera" and 95% of the sale price of the remaining 4 vessels referred to above will be applied to reduce outstanding principal due to Mandiri.

- In the event that the vessels are sold, the proceeds of such sale will be used to offset/pay the last principal instalment (i.e. payment for amortisation in year 10 first followed by year 9 and thereafter) that is due to Mandiri and the maturity date of the amortised principal payments to Mandiri will be reduced accordingly.

- The Restructuring Plan shall not compromise any rights that Mandiri has in respect of the security in all secured vessels and the Company shall not object or hinder any attempts by Mandiri to sell these vessels, whether pursuant to its security or otherwise. The Company and BULL shall not object to any request by Mandiri to sell a vessel and will not object or hinder Mandiri's attempts to enforce or sell these vessels.

c) **Dialease Maritime SA/Mitsubishi UFJ Lease & Finance Co. Ltd**

- Dialease shall be treated as a secured creditor for purposes set out in the Restructuring Plan; principal of US$ 15.1 million (or what remains (if any amount) after transfer of MT Hyacinth); MT Hyacinth to be transferred to a transferee on terms agreed with Dialease, with such transfer to occur at the port of Kaohsiung, ROC or other port as directed by Dialease during April 2013 or no later than 15 April 2013; forgive all outstanding and unpaid interest prior to 1 July 2012; and amortisation by bullet payment on 31 March 2023.

- Interest (LIBOR + 2%) capitalised from 1 July 2012 until 31 March 2013, quarterly cash pay (in arrears) from 30 June 2013, unless payments of interest are capitalised pursuant to Restructuring Plan.

- Accelerated repayment from cash sweep.

- New equity in the Company will be issued and distributed pro rata amongst all unsecured creditors. The total new equity available to unsecured creditors will be 25% of the enlarged share capital of the Company.

d) **Bank Central Asia**

- Principal of Rp 44.4 billion and forgive all outstanding and unpaid interest prior to 1 July 2012.

- Principal amortisation over a repayment period of the date commencing from 1 April 2013 to the maturity date which is (i) the 10th anniversary thereof from the date that this Restructuring Plan is ratified by the Jakarta Court, (ii) the earliest maturity date of any loan extended by any unsecured creditor (apart from trade creditors), or (iii) 31 March 2017, whichever is the earliest to occur (Maturity Date) with 32 equal quarterly instalments commencing year 3 with the first instalment starting 30 June 2015.

- Interest (3 month JIBOR + 5.25%) will be capitalised from 1 July 2012 until 31 March 2014, then quarterly cash pay from 30 June 2014, provided that there is sufficient cash in year 2 to (i) build up the US$ 25 million minimum cash buffer, (ii) pay cash interest on the Working Capital Facility, (iii) pay principal on the Working Capital Facility, and if any of these conditions are not met for any quarter in year 2, such payments of interest in year 2 will be capitalised and added to principal.

- The rights of BCA to call an event of default in respect of the Restructuring Plan are as follows; if BCA still holds security over any vessel owned or operated by the Company, an event of default can be called for non payment of principal and interest after year 2; or If BCA no longer holds security over any vessel owned or operated by the Company, an event of default can be called for non payment of interest and principal after year 4.

- Accelerated repayment from cash sweep.

- The Company agrees that it will sell the vessels which are secured to BCA (i.e. namely MT Gas Indonesia and MT Gas Kalimantan) by mutual consent with BCA at a sale price agreed and acceptable to BCA, provided that BCA gives reasonable notice in providing its request and that the sale of a vessel is conducted as an arm's length commercial transaction and if sold that the sale price is at the vessel's market value.

- Payment to BCA of 95% of the sale price of MT Gas Indonesia and MT Gas Kalimantan will be applied to reduce outstanding principal due to BCA.

- In the event that the vessel(s) are sold, the proceeds of such sale(s) will be used to offset/ pay the last principal instalment (i.e. payment for amortisation in year 10 first followed by year 9 and thereafter) that is due to BCA and the maturity date of the amortised principal payments to BCA will be reduced accordingly.

- This Plan shall not compromise any rights that BCA has in respect of the security in all secured vessel(s) and the Company shall not object or hinder any attempts by BCA to sell these vessel(s), whether pursuant to its security or otherwise.

Pursuant to the restructuring term sheet in the Restructuring Plan that has been ratified after the reporting date, the Group reclassifies all of its restructured loans under PKPU amounting to US$ 607,937 thousand to non-current liabilities. Accordingly, the Group recognises interest expense for the year 2012 based on the effective interest rate under Restructured Plan.

Details of other long-term loans are as follows:

a. **Bank Negara Indonesia (BNI)**

In March 2010, Company obtained an Investment Refinancing Credit Loan amounting to Rp 337 billion from BNI. This loan is payable in 60 monthly instalments until March 2015 and secured by MT Gandini and MT Badraini vessels. In September 2011, the Company obtained an additional loan from BNI through an Investment Refinancing Credit Loan amounting to Rp 70,663 billion. This loan is payable until September 2016.

On 10 February 2012, the Company novated both loan facilities to BULL. The novated loan facilities pertain to the loan facility amounting to Rp 219.3 billion secured by MT Gandini and MT Badraini vessels (including their receivables and inventories), maturing on 22 March 2015 and the loan facility amounting to Rp 66,541 million secured by MT Gas Maluku (including its receivables and inventories), maturing on 15 September 2016. Both facilities bear interest rates at 11% – 12% per annum which is reviewed periodically and paid monthly. On 29 June 2012, BULL and BNI agreed to amend the terms of the facilities concerning among others changes in instalment and certain covenants.

b. **Deutsche Investitions Und- Entwicklungsgesellschaft mbH (DEG)**

In April 2010, PT Sapphire Maritime (SM), a subsidiary obtained a loan from DEG through a long-term investment facility amounting to US$ 29,750 thousand, matured in 15 March 2018, bears interest rate of LIBOR plus 4.75% per annum and secured by the corporate guarantee of the Company and MT Gas Komodo. This loan is payable in 13 semi-annual instalments with balloon payment of US$ 8,925 thousand on the last repayment date. As of 1 March 2012, SM and DEG agreed to adjust the interest payment and repayment schedule. The loan agreement contained certain covenants, which, among others, require SM to maintain loan to fair value of vessel ratio of not more than 80% and debt service coverage ratio of not less than 1.1.

c. **Indonesia Eximbank**

The loan from Indonesia Eximbank was obtained through a Rp 400 billion export facility loan with maturity date of March 2014. This loan is payable in 20 quarterly instalments. In 21 February 2012, the Company novated the loan facility to BULL. This loan is secured by MT Barawati, MT Pergiwo and MT Gas Natuna, matured in 25 March 2016 and bears interest rate at 10% per annum which is reviewed periodically and paid quarterly.

In relation to the above loan, BULL is required to comply with certain covenants as stipulated in the agreement, including, among others, to maintain net debt to equity ratio of not more than 3.

d. **Bank Syariah Mandiri (as lead manager), Bank Syariah BRI, Bank Muamalat Indonesia, and BPD Jatim Divisi Usaha Syariah (BSMI)**

As of 16 December 2009, PT Ruby Maritime (RM), PT Sapphire Maritime (SM), and PT Banyu Laju Shipping (BLS), subsidiaries, obtained long-term investment loan facilities under Syariah (Qardh and Murabahah) scheme from BSMI with a total maximum credit of Rp 180 billion. These loan facilities are payable in 20 quarterly instalments and due in December 2014, with balloon payments in the total amount of Rp 60.3 billion. Indicative return is at 12.4%-13.5% which is reviewed periodically, and is payable quarterly. Such loans are secured with a corporate guarantee from the Company, MT Dewayani, MT Dewi Sri and MT Tirtasari. As of 1 June 2012, RM, SM, BLS and BSMI agreed to, among others; extend the repayments terms of the loan facility to December 2016 and change the corporate guarantee from the Company to BULL.

e. **Bank Syariah Mandiri (as lead manager), Bank Pembangunan Daerah Jawa Timur, Bank Muamalat Indonesia, and Bank Jabar Banten Syariah (BSMS)**

In November 2010, the Company obtained a loan from BSMS through a long-term investment loan facility under Syariah scheme with a total maximum credit of Rp 344,785 million. Such loan is collateralized by a subsidiary's vessel FPSO Brotojoyo and corporate guarantee from a subsidiary. The subsidiary's receivable amounting to US$ 72.5 million was used as fiduciary collateral. Indicative return is at 12% per annum which is reviewed periodically and is payable quarterly.

As of 31 December 2011, the Company reclassified this loan to current liability in relation to breach of debt covenants stipulated in the loan agreement. However, the Company did not charge the transaction cost of such loan amounting to US$ 417 thousand. Such transaction cost was charged in 2012.

On June 2012, the Company novated loan facility amounted to Rp 168.1 billion to PT Emerald Maritime (EM), a subsidiary. This loan is secured with FPSO Brotojoyo. On 17 October 2012, EM and BSM agreed to amend the terms of this loan, among others, concerning changes in schedule of instalment of the outstanding Tranche A loan of Rp 48.5 billion and Tranche B loan of Rp 65.5 billion due on 20 May 2015 and changes in the basis calculation of indicative return.

In relation to the loan of EM, BULL and its subsidiaries are required to comply with certain covenants, including among others, to maintain net debt to equity ratio of not more than 3.5 and the ratio of debt service coverage ratio of not less than 1 on consolidation basis.

f. **Bank Mega**

In August 2010, the Company obtained a loan from Bank Mega with a maximum credit of US$ 15 million or 60% value of a subsidiary's vessel. This loan is payable in 84 monthly instalments until August 2017 and secured by a subsidiary's vessel.

On 20 April 2012, the Company novated this loan and renewed the debt facility of US$ 10,641 thousand to BULL. This loan is secured by MT Gas Bali, matured in 12 December 2018 and bears interest rate of 8% per annum which is reviewed periodically and is paid monthly. In relation to the above loan, BULL is required to comply with certain covenants as stipulated in the loan agreement, including among others, to maintain net debt to equity ratio of not more than 3 and debt service coverage ratio of less than 1 for the first year is allowed, for the second year will be subject to review and for the third year will not be less than 1.

g. **Dialease Maritime S.A., Japan**

In December 2004, a subsidiary obtained loan from Dialease Maritime S.A., Japan with maximum credit of JPY 1,347,250 thousand (equivalent to US$ 12,859 thousand). This loan is payable in 28 quarterly instalments until 2011 and collateralized by corporate guarantee from the Company and the subsidiary's vessel. Interest rate is at LIBOR plus 2% per annum, which is paid quarterly.

On 13 December 2011, the subsidiary and Dialease Maritime S.A., agreed to extend the due period until December 2014.

On 23 March 2012, Dialease Maritime S.A., declared events of default of the subsidiary for deferred payment of obligations in accordance with the agreement. This loan was fully paid on 20 December 2012.

In relation to the above loan facilities, the Group is required to fulfill financial covenants, including, among others, the maintenance of specific financial ratios.

22. BONDS PAYABLE

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Nominal value				
Berlian Laju Tanker III Bonds	75,416	74,838	73,742	77,194
Berlian Laju Tanker IV Bonds	36,616	36,350	36,004	37,494
Sukuk Ijarah I	21,539	21,381	21,069	22,056
Sukuk Ijarah II	10,769	10,691	10,535	11,028
Unamortized discount	-	-	(286)	(450)
Total	144,340	143,260	141,064	147,322
Current maturities	-	-	141,064	147,322
Bonds payable - Net	144,340	143,260	-	-

a. **Berlian Laju Tanker III Bonds**

On 5 July 2007, the Company issued Rupiah bonds amounting to Rp 700 billion with fixed interest rate at 10.35% per annum payable every three months. The bonds are unsecured and have a term of 5 (five) years, due on 5 July 2012. Bondholders' right is pari-passu without preferential rights with other creditors of the Company. All the bonds were sold at nominal value and are listed on the BEI (formerly Surabaya Stock Exchange) with Mandiri as trustee.

On 18 December 2007, the Bondholders approved the replacement of Mandiri as trustee and the appointment of PT Bank CIMB Niaga Tbk as the new trustee.

On 17 March 2008, PT Bank CIMB Niaga Tbk as the trustee issued a notice for the Company's failure to comply with one of the covenants under the Trustee Agreement, which is to maintain a ratio of net debt to equity of not more than 2.5:1.

On 16 June 2008, the Bondholders approved to amend the debt covenant on the net debt to equity ratio on the trustee agreement from 2.5:1 to 4.5:1 for the year ending 31 December 2008 and 3.5:1 after 31 December 2008 based on the Company's in conformity with Indonesian Financial Accounting Standards.

Based on PT Pefindo's rating dated 28 February 2012, the bonds were rated as idD.

b. **Berlian Laju Tanker IV Bonds**

On 29 May 2009, the Company issued Rupiah Bonds amounting to Rp 400 billion, consisting of three series bonds: (i) the series A Bonds with a nominal value of Rp 60 billion, bearing fixed interest rate of 14.25% per annum and are due on 28 May 2010, (ii) the series B Bonds with a nominal value of Rp 150 billion, bearing a fixed interest rate of 15.5% per annum and are due on 28 May 2012 and (iii) the series C Bonds with a nominal value of Rp 190 billion, bearing fixed interest rate of 16.25% per annum and are due on 28 May 2014. Interest is paid quarterly.

These bonds are unsecured and the bondholders' right is pari-passu without preferential rights with other creditors of the Company. At any time after the first anniversary of the bonds, the Company can redeem the bonds at prevailing market price. The Company is also required to comply with several covenants, which include among others, a net debt to equity ratio of 3.5:1. All of the bonds were sold at nominal value and are listed on the BEI with PT Bank CIMB Niaga Tbk as trustee.

On 28 May 2010, the Company redeemed and retired the Series A Bonds at principal amount of Rp 60 billion.

Based on PT Pefindo's rating dated 28 February 2012, the bonds were rated as idD.

c. **Sukuk Ijarah I**

On 5 July 2007 the Company issued Sukuk Ijarah amounting to Rp 200 billion. The Sukuk Ijarah are unsecured and have a term of 5 (five) years, due on 5 July 2012. These bonds were offered under the condition that the Company shall pay to Sukuk Ijarah holders a sum of Ijarah Benefit Instalment amounting to Rp 20,600 million per annum. The Sukuk Ijarah bondholders' right is pari-passu without preferential rights with other creditors of the Company. At anytime after the first anniversary of the Sukuk Ijarah, the Company may redeem the bonds at prevailing market price. All sukuk ijarah were sold at nominal value and are listed on the BEI (formerly Surabaya Stock Exchange), with Mandiri as trustee.

On 18 December 2007, the Bondholders approved the replacement of Mandiri as trustee and the appointment of PT Bank CIMB Niaga Tbk as the new trustee.

On 17 March 2008, PT Bank CIMB Niaga Tbk as the trustee issued a notice for the Company's failure to comply with one of the covenants under the Trustee Agreement, which is to maintain a ratio between net debt to equity of not more than 2.5:1.

On 4 July 2008, the Bondholders approved to amend the debt covenant on the Net Debt to Equity Ratio on the Trustee Agreement from 2.5:1 to 4.5:1 for the year ending 31 December 2008 and 3.5:1 after 31 December 2008 based on the Company's in conformity with Indonesian Financial Accounting Standards.

Based on PT Pefindo's rating dated 28 February 2012, the bonds are rated as idD.

d. **Sukuk Ijarah II**

On 29 May 2009 the Company issued Sukuk Ijarah II amounting to Rp 100 billion, consisting of two series of bonds: (i) the series A Bonds with nominal amount of Rp 45 billion, due on 28 May 2012 and entitle the bondholders a sum of Ijarah Benefit Instalment of Rp 155 million per annum for every Rp 1 billion nominal amount and (ii) the series B Bonds with nominal amount of Rp 55 billion, due on 28 May 2014, and entitle the bondholders a sum of Ijarah Benefit Instalment of Rp 162.5 million per annum for every Rp 1 billion nominal amount.

These Sukuk Ijarah are unsecured and the Bondholders' right is pari-passu with other creditors of the Company. At any time after the first anniversary of the Sukuk Ijarah II, the Company may redeem the bonds at prevailing market price. The Company is also required to comply with several covenants, which include among others, a net debt to equity ratio of 3.5:1, based on the Company's in conformity with Indonesian Financial Accounting Standards. All the Bonds were sold at nominal value and are listed on the BEI, with PT Bank CIMB Niaga Tbk as trustee.

Based on PT Pefindo's rating dated 28 February 2012, the bonds are rated as idD.

As of 31 December 2011, the Company reclassified all bonds payable to current liabilities as the Company failed to comply with the financial ratio covenants stated under the trustee agreement. However, the Company did not charge the transaction cost of such bonds payable amounting to US$ 450 thousand. Such transaction cost was charged in 2012.

On 27 January 2012, the trustee declared events of default for Berlian Laju Tanker III Bonds, Berlian Laju Tanker IV Bonds, Sukuk Ijarah I and Sukuk Ijarah II following the Company's announcement of the debt standstill on 26 January 2012.

Following the events of default, the trustee submitted its claims under PKPU. In association with the PKPU matters, the Company proposed a Restructuring Plan to restructure the bonds.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

a) **Berlian Laju Tanker III Bonds and Sukuk Ijarah I (Rp 900 billion 2012 Bonds)**

- Principal of Rp 900 billion (US$ 95.5 million); amortisation by bullet payment on 31 March 2023; forgive all outstanding and unpaid interest prior to 1 July 2012; interest capitalised from 1 July 2012 until 31 March 2015.
- Interest rate of 5% in years 1 to 3, 7% in years 4 to 7, 9% in years 8 to 10, quarterly cash pay (in arrears) from 30 June 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan being met.
- Accelerated repayment from cash sweep.
- New equity in the Company will be issued and distributed pro rata amongst all unsecured creditors. The total new equity available to unsecured creditors will be 25% of the enlarged share capital of the Company.

b) **Berlian Laju Tanker IV Bonds and Sukuk Ijarah II (Rp 440 billion 2015 Bonds)**

- Principal of Rp 440 billion (US$ 46.7 million); amortisation by bullet payment on 31 March 2023; forgive all outstanding and unpaid interest prior to 1 July 2012; interest capitalised from 1 July 2012 until 31 March 2015.
- Interest rate of 5% in years 1 to 3, 7% in years 4 to 7, 9% in years 8 to 10, quarterly cash pay (in arrears) from 30 June 2015 subject to the provisions of the cash waterfall principles set out in the Restructuring Plan being met.
- Accelerated repayment from cash sweep.
- New equity in the Company will be issued and distributed pro rata amongst all unsecured creditors. The total new equity available to unsecured creditors will be 25% of the enlarged share capital of the Company.

Pursuant to the restructuring term sheet in the Restructuring Plan ratified after the reporting date, the Company reclassifies all of its bonds into non-current liabilities. Accordingly, the Company recognises interest expense for the year 2012 based on the effective interest rate under Restructuring Plan.

23. NOTES PAYABLE

On 4 May 2007, BLT Finance B.V. (BLTF BV), a subsidiary, issued Guaranteed Senior Notes (the Notes) amounting to US$ 400 million with fixed interest of 7.5% per annum payable every six months in arrears commencing 15 November 2007. The Notes are due in seven years, on 15 May 2014. The Notes were offered at 100% of the nominal value and are listed on SGX. The Notes are unconditionally and irrevocably guaranteed on a senior basis by the Company and certain subsidiaries.

The Notes may be redeemed at the option of BLTF BV as follows:

a. At any time prior to 15 May 2011 up to 35% of the Notes with the net proceeds of one or more public equity offerings at a redemption price of 107.5% of their principal amount plus accrued and unpaid interest provided certain conditions are met;

b. On or after 15 May 2012, all or any portion of the Notes at a redemption price equal to 100% of the principal amount plus the Applicable Premium (as defined in the Terms and Conditions of the Notes) as of, and accrued and unpaid interest if any, to the date of redemption;

c. On 15 May 2012 until 14 May 2013 all or part of the Notes at a redemption price equal to 103.75% of the principal amount plus the accrued and unpaid interest if any, to the date of redemption;

d. On 15 May 2013 until 14 May 2014 all or part of the Notes at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest if any, to the date of redemption, or

e. At any time in the event of certain changes affecting taxation in Indonesia or Netherlands, in whole at their principal amount plus all additional amounts due as of, and accrued and unpaid interest if any, to the date of redemption.

In the occurrence of change in control, holders of the Notes have the right to require BLTF BV to redeem all or some of the Notes at 101% of the principal amount plus the accrued and unpaid interest if any, at the date of redemption.

Based on the ratings issued by Fitch Ratings Ltd. and Standard and Poor's Ratings Service, in September 2012 the Notes are rated RD and D, respectively.

The changes in fair value are as follows:

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Beginning balance	400,000	164,000	164,000	316,000
Changes in fair value	-	-	-	(152,000)
Adjusment to redemption value	-	236,000	236,000	-
Ending balance	400,000	400,000	400,000	164,000
Interest capitalization	8,150	4,077	-	-
Net	408,150	404,077	400,000	164,000

The Notes are measured at fair value on initial recognition and at each reporting date because of the embedded call and put options.

On 17 July 2012, HSBC Bank USA, National Association, as trustee declared events of default and accelerated payment of the BLTF BV's obligations in accordance with indenture hence the subsidiary adjusted the carrying amounts of the Notes to their redemption value in 2012.

Following the events of default the trustee submitted its claims under PKPU. In association with the PKPU matters, the Company proposed the Restructuring Plan to restructure the Notes.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

- Principal of US$ 400 million; amortization by bullet payment in on 31 March 2023; forgive all outstanding and unpaid interest prior to 1 July 2012 and; interest capitalised from 1 July 2012 until 31 March 2015.

- PIK interest of 2% per annum in years 1 to 10, payable in year 10. Cash interest rate of 1% in years 3 to 4, 2% in years 5 to 8, 3% in years 9 to 10, quarterly cash pay (in arrears) from 30 June 2015 subject to the provisions set under the cash waterfall principles out in Restructuring Plan being met.

- 3% of shares in BULL ("HY BULL Shares") assuming the Company retains approximately 17.8% of the total issued shares in BULL (immediately before the transfer of any such shares to the US$ Bondholders). However, in the event that the Company retains less than such 17.8% of the total issued share capital in BULL, then the amount of HY BULL Shares shall for the purposes of this Restructuring Plan, be reduced pro-rata, based on the reduced percentage of total issued shares in BULL that the Company holds provided always that the HY BULL Shares may not be reduced to less than 2% of the ordinary shares in BULL. If the HY BULL Shares are reduced to less than 3% of the ordinary shares in BULL, the Company shall either issue new shares ("HY BLT Shares") to a maximum of 2% of the enlarged share capital of the Company or provide other assets to make up the shortfall in each case as agreed upon by the US$ Bondholders in respect of the HY BULL Shares as agreed from owner of US$ bonds.

- Provision of the BULL-Teekay SPV Security which will secure (i) the Working Capital Facility in Years 1 and 2 and (ii) up to US$ 17,199,828 of the aggregate of the principal due to the MLA Lenders and the US$ Bondholders, and the interest payments to the MLA Lenders and the US$ Bondholders in Years 3 and 4 with US$ 17,199,828.

- In the event that the BULL-Teekay SPV Security or any part thereof is realised in Year 3 or 4, the cumulative proceeds of any such realisations shall be shared as follows; First, in satisfaction of the costs and expenses of enforcement; Second, in satisfaction of all amounts due under the Working Capital Facility; Third, in satisfaction of amounts due to the US$ Bondholders and the MLA Lenders on a fifty/fifty basis so that each dollar of proceeds received shall be paid, as to 50% thereof, to or for the account of the US$ Bondholders and, as to 50% thereof, to or for the account of the MLA Lenders, subject to a maximum of US$ 8,599,914 each; and Fourth, any balance proceeds of enforcement in excess of US$ 17,199,828 shall be subject to the cash waterfall principles set out in the Restructuring Plan.

- Enforcement of the BULL-Teekay SPV Security to satisfy payments of interest to the MLA Lenders and/or the US$ Bondholders in Year 3 and Year 4 shall not cause an event of default under the Plan, nor shall an event of default occur if the proceeds of realisation of the BULL-Teekay SPV Security are, after application thereof towards repayment of the secured indebtedness, sufficient to cover any such interest payments due and owing.

- Intercreditor or subordination agreement to be signed between the MLA Lenders and the US$ Bondholders to govern their respective priorities and obligations in respect of the BULL-Teekay SPV Security in the manner set out above.

- Accelerated repayment from cash sweep.

- New equity in the Company will be issued and distributed pro rata amongst all unsecured creditors. The total new equity available to unsecured creditors will be 25% of the enlarged share capital of the Company.

Pursuant to the restructuring term sheet in the Restructuring Plan ratified after reporting date, the Group reclassifies all of its notes payable amounting to US$ 404,077 thousand to non-current liabilities. Accordingly, the Group recognises interest expense for the year 2012 based on the effective interest rate under Restructuring Plan.

24. OBLIGATIONS UNDER FINANCE LEASE

	30/06/2013		31/12/2012	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	US$'000	US$'000	US$'000	US$'000
Less than 1 year	34,159	32,648	34,159	32,637
1 - 2 years	34,159	30,018	34,159	30,007
More than 2 years	260,240	189,421	277,185	195,879
Total	328,558	252,087	345,503	258,523
Less future finance charges	(76,471)	-	(86,980)	-
Present value of minimum lease payments	252,087	252,087	258,523	258,523
Current maturities		(32,648)		(32,637)
Long-term portion		219,439		225,886

	30/06/2012		31/12/2011	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	US$'000	US$'000	US$'000	US$'000
Less than 1 year	34,159	32,648	52,058	49,571
1 - 2 years	34,159	30,018	51,970	45,200
More than 2 years	294,405	202,325	426,282	289,610
Total	362,723	264,991	530,310	384,381
Less future finance charges	(97,732)	-	(145,929)	-
Present value of minimum lease payments	264,991	264,991	384,381	384,381
Current maturities		(32,648)		(49,571)
Long-term portion		232,343		334,810

In 2011 and 2010, additional sale and leaseback transactions were carried out by the Company's subsidiaries for four and three vessels, respectively which were classified as finance lease.

The finance lease relates to lease terms of 4 to 10 years with effective interest rates from 4.2% to 10% of which the subsidiaries have options to purchase the vessels for an amount below the expected fair values at the conclusion of the lease agreements. The subsidiaries' obligations under finance lease are secured by the lessors' title to the leased vessels.

The Group reassessed and revised the estimated exercise dates of the purchase options on the leased vessels. This resulted in an increase in obligations under finance lease and the carrying amount of the leased vessels amounting to US$ 5,090 thousand in 2011 and decrease in obligations under finance lease and the carrying amount of the leased vessels amounting to US$ 861 thousand in 2010.

In 2012, the Group defaulted on payments of the finance lease agreements and accordingly, all agreements had been terminated. Therefore, the Group recognises the reduction of finance lease liabilities amounting to US$ 111,924 thousand and assets under finance leases amounting to US$ 80,054 thousand. The difference between the present value of minimum lease payments of vessels and carrying value of fixed assets under finance leases are recognized as a gain in 2012. Hence, the remaining security deposits of US$ 16,798 thousand and deferred rent of US$ 5,101 thousand were recognized as loss on seller's credit.

The Group also has fleet lease contracts that are classified as operating leases. Thirteen operating lease contracts have also been terminated due to default on payments of the operating leases.

Following the events of early termination of contracts, lessors submitted their respective claims under PKPU. In association with the PKPU matters, the Company proposed the Restructuring Plan to restructure the leases.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

- Total claims estimated at US$ 225.90 million (includes unpaid hire) and amortisation by bullet payment on 31 March 2023.
- Interest rate of 1% in years 1 to 4, 2% in years 5 to 8, 3% in years 9 to 10, quarterly cash pay (in arrears) from 30 June 2015, subject to the provisions of the cash waterfall principles set out in the Restructuring Plan being met.
- Accelerated repayment from cash sweep.
- Any amounts paid to lease creditors under restructured lease agreements will be offset against the amount to be paid in year 10.
- New equity in the Company will be issued and distributed pro rata amongst all unsecured creditors. The total new equity available to unsecured creditors will be 25% of the enlarged share capital of the Company.

Pursuant to the restructuring term sheet under the Restructuring Plan, the Group recognises liabilities of US$ 227,873 thousand (including outstanding payable before proposed claims of US$ 2,768 thousand), arising from the termination of the lease contracts which is recorded as other payables under non-current liabilities.

This amount comprises of termination lease contract expenses of US$ 208,505 thousand, reclassification of trade accounts payable to the lessors of US$ 17,400 thousand and interest expense for the year 2012 of US$ 1,968 thousand based on the effective interest rate under Restructuring Plan.

Lease contract termination expense is based on the amounts admitted in PKPU. Except for several lease creditors who appealed against the amount issued amounting to US$ 74,043 thousand, all liabilities arising from termination of lease contracts including interest and penalties are final and binding under PKPU. For such lease creditors, the Court allows for further adjudication under PKPU. As at reporting date, the adjudication process has not been completed, hence such liabilities amounts are unable to be determined.

25. OTHER PAYABLES

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Liabilities arising from termination of lease contracts	229,838	227,873	139,944	-
Liabilities arising from vessel in progress	11,681	11,681	-	-
Lloyds TSB Leasing Limited	9,398	9,318	9,318	8,835
Poly Resources Pte. Ltd.	1,244	1,244	1,154	1,155
Other liabilities				
Teekay BLT Corporation	13,800	13,800	13,800	10,200
PT Bagusnusa Samudra Gemilang	13,417	13,777	14,053	14,691
Teekay Corporation	10,045	10,045	10,045	10,045
Wyoming International Ltd.	-	-	-	21,448
PRC Limited	-	-	12,753	12,753
Total	289,423	287,738	201,067	79,127
Current maturities	(34,022)	(45,703)	(34,298)	(38,475)
Long-term portion	255,401	242,035	166,769	40,652

Details of other payables restructured under the Restructuring Plan other than liabilities arising from termination of fleet lease contracts are as follows:

a. **Lloyds TSB Leasing Limited (Lloyds)**

In 2007, the Group entered into an Exchange Agreement with Lloyds as part of the documentation to lease 7 vessels under United Kingdom (UK) Tax Lease Scheme and the Company entered as a Guarantor. The Scheme involves several subsidiaries incorporated in the UK. The Exchange Agreement stated that Lloyds is entitled to tax liability claim should UK's customs and tax department (HMRC) challenge such tax treatment. In 2010, HMRC challenged the tax treatment and the discussion about the settlement of tax liability continued. In 2012, the Company defaulted under the Guarantee Agreement and Lloyds submitted indemnity claims of £ 5.7 million under PKPU relating to the above indemnity clause.

b. **Poly Resources Pte Ltd (Poly)**

On 1 December 2011, Berlian Laju Tanker Pte. Ltd., a subsidiary, obtained a working capital facility from Poly amounting to SGD 1,500 thousand with interest at 6% per annum, due in 90 days. As the subsidiary did not make payment on the due date, Poly declared event of default and submitted its claim of US$ 1,244 thousand equivalent. The claims had been admitted subsequently under similar restructuring term sheet of trade creditors set out in the Restructuring Plan.

In association with the PKPU matters, the Company proposed the Restructuring Plan to restructure the payables to Lloyds and Poly.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

- Total estimated claims from Lloyds and Poly amounted to £ 5.7 million and SGD 1.5 million respectively which will be amortized by bullet payment on 31 March 2023.
- Interest rate of 1% in years 1 to 4, 2% in years 5 to 8, 3% in years 9 to 10, quarterly cash pay (in arrears) from 30 June 2015 subject to the provisions of the cash waterfall principles set out in Restructuring Plan being met.
- Accelerated repayment from cash sweep.

- New equity in the Company will be issued and distributed pro rata amongst all unsecured creditors. The total new equity available to unsecured creditors will be 25% of the enlarged share capital of the Company.

Pursuant to the restructuring term sheet in the Restructuring Plan ratified after the reporting date, the Group classifies all of its liabilities into non-current liabilities. The Group also recognized interest expense for the year 2012 based on the effective interest rate under the Restructuring Plan.

Other than the above other payables, the Group also has other liabilities as follows:

a. **Teekay BLT Corporation**

The subsidiary's loan from Teekay BLT Corporation, a related party, consists of advance received amounting to US$ 10,200 thousand which is non-interest bearing, unsecured and have no fixed repayment terms and advance received in exchange for promissory note due on demand amounting to US$ 3,600 thousand that bears interest at a fixed rate of 8% per annum.

b. **PT Bagusnusa Samudra Gemilang**

In July 2011, the Company obtained a working capital facility with maximum credit of Rp 133 billion from PT Bagusnusa Samudra Gemilang (Bagusnusa), a related party. Such loan shall be repaid in full on 31 December 2012. As of reporting date, the maturity date of the facility has not been extended. This loan is non-interest bearing and unsecured.

c. **Teekay Corporation**

The Company's loan from Teekay Corporation (Teekay) is payable in 22 semi annual instalments, unsecured, and bears interest at 8% per annum which is payable on a quarterly basis. The Company has not fulfilled the payment of interest expense amounting to US$ 205 thousand as of 31 December 2011. As of 23 February 2012, the Company did not pay the principal and interest expense amounting to US$ 1,002 thousand, hence Teekay declared events of default. As of 31 December 2012, the deferred interest payment is presented under accrued interest expense.

d. **Wyoming International Ltd**

On 9 December 2011, the Company entered into an agreement of sale and purchase of shares with the option to repurchase BULL's shares, a subsidiary of Rp 194,493 million, interest rate at 21% per annum and provision of 1.5% paid in advance to Wyoming International Ltd (WIL). The agreement was due on 23 December 2011 but was further extended until 14 March 2012 with the underlying security for the transaction of BULL's shares. The Company cannot fulfill its obligations on the due date of the agreement; hence in June 2012 WIL executed 4,226,999,082 of BULL's shares pledged on such agreement.

e. **PRC Limited**

The subsidiary's loan from PRC Limited bears floating interest rate based on People's Bank of China's interest rate over 5 years' loan.

In 2012, due to the loss of control of the subsidiary, the entity's assets and liabilities were deconsolidated.

26. TAXATION

Details of taxes payable are as follows :

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Corporate income tax				
The Company	-	-	-	-
Subsidiaries	123	60	66	18
Final tax payable				
Article 15	36	96	31	47
Income taxes				
Article 4(2)	90	11	50	8
Article 21	251	674	192	829
Article 23	33	34	24	38
Article 25	1	2	1	-
Article 26	12	10	9	3
Value added tax - net	272	320	643	468
Total	818	1,207	1,016	1,411

Details of tax income (expense) are as follows:

	2013	2012	2011
	US$'000	US$'000	US$'000
Final income tax			
The Company	-	-	(47)
Subsidiaries	(282)	(428)	(721)
Current tax			
The Company	-	-	(23)
Subsidiaries	-	-	(13)
Deferred tax			
The Company	93	203	-
Subsidiaries	(178)	4,028	-
Tax income (expense)	(367)	3,803	(804)

Final tax

The computation of final tax on revenues related to charter and operation of vessels of the Company was as follows:

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Revenues from charter and operation of vessels (the Company)	-	-	-	1,434
Tax on charter vessel revenues 1.2% x USD 1,434 thousand in 2011	-	-	-	17
Income tax of subsidiaries	282	836	428	1,258
Tax expenses	282	836	428	1,275
Payments during the period	246	740	397	1,228
Final tax payable	36	96	31	47

Current tax

The computation of tax on revenues not subject to final tax is as follows:

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Loss before tax of the Company	(229)	(29,276)	(1,920)	(76,425)
Temporary deference				
Depreciation of fixed assets	(10)	1,705	418	836
Revaluation of fixed assets	382	525	398	2,595
Employee benefits	-	(436)	-	-
Non-taxable incomes				
Vessels charter income subjected to final tax	-	-	-	(1,434)
Interest income subjected to final tax	(1)	(187)	(58)	(956)
(Gain) loss on sale of fixed assets	-	18	-	(15,804)
Non-deductible expenses				
Expenses relating to charter income subjected to final tax	240	-	349	11,062
Others	275	13,109	372	982
Taxable income (tax loss)	657	(14,542)	(441)	(79,144)
Uncompensated prior year tax loss	(93,686)	(79,144)	(79,144)	-
Accumulated tax losses	(93,029)	(93,686)	(441)	(79,144)

Up to 31 December 2012, BULL and its subsidiaries and PT Brotojoyo Maritime have not obtained the approval from General Directorate of Taxes to report their taxes in US$ (functional currency), therefore the taxable income (tax loss) calculation would be based on the comprehensive income in Rupiah currency. The effect from use of Rupiah currency and US$ is not material.

Deferred tax

Details of the Group's deferred tax assets (liabilities) are as follows:

	01/03/2013	Credited (charged) to income	Credited (charged) to equity	30/06/2013
	US$ '000	US$ '000	US$ '000	US$ '000
Fixed assets	6,790	(85)	70	6,775
Provision for employee benefits	1,137			1,137
Total	7,927	(85)	70	7,912
Consist of:				
Deferred tax asset	7,927			7,712
Deferred tax liabilities	-			-

	01/01/2012	Credited (charged) to income	Credited (charged) to equity	31/12/2012
	US$ '000	US$ '000	US$ '000	US$ '000
Fixed assets	(2,383)	5,495	3,678	6,790
Provision for employee benefits	165	1,030	(58)	1,137
Total	(2,218)	6,525	3,620	7,927
Consist of:				
Deferred tax asset	2,125			7,927
Deferred tax liabilities	(4,343)			-

	01/01/2012	Credited (charged) to income	Credited (charged) to equity	30/06/2012
	US$ '000	US$ '000	US$ '000	US$ '000
Fixed assets	(2,383)	4,231	175	2,023
Provision for employee benefits	165			165
Total	(2,218)	4,231	175	2,188
Consist of:				
Deferred tax asset	2,125			6,152
Deferred tax liabilities	(4,343)			(3,964)

	01/01/2011	Credited (charged) to income	Credited (charged) to equity	31/12/2011
	US$ '000	US$ '000	US$ '000	US$ '000
Fixed assets	-	3,663	(6,046)	(2,383)
Provision for employee benefits	30	135	-	165
Other	(3)	3	-	-
Total	27	3,801	(6,046)	(2,218)
Consist of:				
Deferred tax asset	30			2,125
Deferred tax liabilities	(3)			(4,343)

The tax loss can be utilized against the taxable income for a period of five years subsequent to the year the tax loss was incurred. Group unrecognized deferred tax asset on tax loss of US$ 24,444 thousand as at 31 December 2012, since the Group does not have a sufficient basis to determine the future tax benefit on such deferred tax asset. The deferred tax asset will be recognized in the consolidated financial statements when the taxable income is expected to be available in future periods from which such tax losses could be realized.

27. PROVISION FOR POST-EMPLOYMENT BENEFITS

The Group provides post-employment benefits for its qualifying employees in accordance with Labor Law No. 13/2003.

The amounts of provision for post-employment benefits recognized in statements of financial position are as follows:

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Present value of unfunded obligations	5,912	5,931	6,141	6,141
Unrecognized actuarial gains (losses)	493	493	(206)	(206)
Net liability	6,405	6,424	5,935	5,935

Movements in the net liability recognized in the statements of financial position are as follows:

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Balance at beginning of the year	6,424	5,935	5,935	5,180
Employee benefits cost for the year	-	750	-	784
Adjustment due to movement of employees and data correction	-	211	-	64
Benefits payment	(19)	(75)	-	(10)
Foreign Exchange	-	(397)	-	(83)
Balance at end of the year	6,405	6,424	5,935	5,935

Movements in the present value of unfunded obligations are as follows:

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Balance at beginning of the year	5,931	6,141	6,141	5,657
Current service cost	-	427	-	409
Interest cost	-	323	-	380
Benefits paid	(19)	(75)	-	(10)
Actuarial gains	-	(468)	-	(208)
Foreign exchange	-	(417)	-	(87)
Balance at end of the year	5,912	5,931	6,141	6,141

The cost of providing post-employment benefits is calculated by independent actuary, PT Padma Radya Aktuaria for the year ended 31 December 2012 and 2011. The actuarial valuation was carried out using the following key assumptions:

	31/12/2012	31/12/2011
Discount rate per annum	5.75%	6.25%
Salary increment rate per annum	8.00%	10.00%
Mortality rate	100%/TMI2	100%/TMI2
Resignation rate	10% per annum until age 36 then decreasing linearly to 0% until age 55	10% per annum until age 36 then decreasing linearly to 0% until age 55

Management believes that the provisions made are adequate to cover the Group's employee benefits obligation.

28. CONVERTIBLE BONDS

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
US$ 125 million Guaranteed Convertible Bonds (amended in 2010)	49,750	49,148	48,899	48,270
US$ 125 million 12% Guaranteed Convertible Bonds - due 2015	127,176	126,089	125,000	121,309
Total	176,926	175,237	173,899	169,579

US$ 125 million Guaranteed Convertible Bonds (Amended in 2010)

The convertible bonds are considered a hybrid instrument containing a debt host contract and embedded derivatives. At the time of issue, the US$ 125 million Zero Coupon Guaranteed Convertible Bonds due 2012 were designated as fair value through profit or loss with any resultant gain or loss recognized in profit or loss. The fair value at the end of the reporting period is determined based on quoted market price and may not be reflective of the amount that BLTF BV will have to pay to the bondholders to satisfy their conversion rights or upon redemption of the bonds.

On 17 May 2010, BLTF BV redeemed and retired the US$ 76,100 thousands of the Zero Coupon Guaranteed Convertible Bonds due 2012 at 116.82%. In December 2010, the bonds held by certain subsidiaries amounting to US$ 48,800 thousands were redeemed by BLTF BV and subsequently reissued to investors on 1 December 2010 at 96%.

On 14 December 2010, the terms and conditions of the US$ 125 million zero coupon guaranteed convertible bonds due 2012 were amended as described below.

The Maturity Date is changed to 10 February 2015 and bears interest rate of 12% per annum. The Conversion Price is Rp 409 per share with conversion period from 27 June 2007 to 31 January 2015. The number of shares to be delivered upon conversion will be determined by dividing the principal amount of the Bond to be converted (translated into Rupiah at the fixed rate of Rp 9,362 = US$ 1.00 (the Fixed exchange rate) by the Conversion Price in effect at the Conversion Date.

Notwithstanding the conversion right of the bondholders, the Company and/or any of its subsidiaries have the option to pay to the relevant bondholders an amount of cash in US$ equivalent to the weighted average market price of the shares converted, to satisfy the conversion right.

In addition, at the option of the issuer on or at any time after 10 February 2013 but not less than 20 days prior to the Maturity Date, redeem the bonds in whole but not in part at their principal amount, plus accrued interest as at the date of redemption, provided that no such redemption may be made unless the closing price of the Shares on the BEI for each of 20 consecutive Trading Days in any 30 consecutive Trading Day period immediately prior to the date upon which notice of such redemption is published is at least 130% of the Conversion Price then in effect.

BLTF BV will, at the option of the holder, redeem all or some of that holder's Bonds on 10 February 2012, at principal amount plus any accrued interest as at the date of redemption. Unless previously redeemed, converted or purchased, BLTF BV will redeem the bonds at its principal amount plus accrued interest on 10 February 2015.

The Company's management believes that, for accounting purposes, there was a substantial modification on the terms of the convertible bonds that led to the extinguishment of the US$ 125 million Zero Coupon Guaranteed Convertible Bonds due 2012.

The convertible bonds above were considered as a hybrid instrument containing a debt host contract and embedded derivatives. The Company's management also made an assessment of the embedded derivatives and decided to bifurcate the embedded derivatives which are not closely related to the host contract. The embedded derivatives are measured at fair value with changes in fair value recognized in profit and loss while the debt host contract was initially recognized at fair value and subsequently measured at amortized cost.

On 29 June 2012, HSBC Limited, Hong Kong, as the trustee, declared events of default on BLTF BV's bonds in accordance with indenture, due to deferred payments of principal and interest. Hence, the subsidiary adjusts the carrying amounts of bonds payable to their redemption value and accounted the convertion option value in accordance with the indenture. The conversion option value at the end of reporting date is nil.

Following the events of default, the trustee submitted its claim under PKPU. In association with the PKPU matters, the Company proposed the Restructuring Plan to restructure the bonds payable.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

- Principal of US$ 48.9 million; amortisation by bullet payment on 31 March 2023; forgive all outstanding and unpaid interest prior to 1 July 2012; interest capitalised from 1 July 2012 until 31 March 2015.
- Interest rate of 1% in years 1 to 4, 2% in years 5 to 8, 3% in years 9 to 10, quarterly cash pay (in arrears) from 30 June 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan being met.
- Accelerated repayment from cash sweep.

- New equity in the Company will be issued and distributed pro rata amongst all unsecured creditors. The total new equity available to unsecured creditors will be 25% of the enlarged share capital of the Company.

- Conversion rights to be given up for issuance of 0.56% equity in the Company.

US$ 125 Million 12% Guaranteed Convertible Bonds Due 2015

On 10 February 2010 and 29 March 2010, BLT International Corporation (BLT IC), a subsidiary, issued 12 Guaranteed Convertible Bonds amounting to US$ 100,000,000 and US$ 25,000,000, respectively. The bonds were issued at 100% of the face value and were unconditionally and irrevocably guaranteed by the Company.

The bondholders have the right to convert the bonds into ordinary shares of the Company, with par value of Rp 62.50 each, at any time on or after 23 March 2010 up to 15 January 2015. The number of shares to be delivered upon conversion will be determined by dividing the principal amount of the bonds to be converted, translated into Rupiah at a fixed rate of Rp 9,362 to US$ 1, by the conversion price in effect at the time of the conversion date. The initial conversion price is Rp 737 per share, which is subject to adjustments. On August 2010, BLT IC adjusted the conversion price to Rp 409 per share. Notwithstanding the Conversion Right of the bondholders, BLT IC has the option to pay the relevant bondholders an amount of cash equivalent to the Cash Settlement Amount of the shares converted, at any time to satisfy the Conversion Right.

To the extent that the Company does not hold sufficient treasury shares or is unable to issue shares, BLT IC shall pay to the bondholders an amount of cash equivalent to the Mandatory Cash Settlement Amount, to satisfy the Conversion Rights.

BLT IC will, at the option of the bondholders, redeem the bonds on 10 February 2013 at principal amount plus accrued interest.

The bond may also be redeemed at the option of BLT IC on or after 10 February 2013 at 100% of principal amount plus accrued interest.

The convertible bonds above were considered as a hybrid instrument containing a debt host contract and embedded derivatives. The Company's management also made an assessment of the embedded derivatives and decided to bifurcate the embedded derivatives which are not closely related to the host contract. The embedded derivatives are measured at fair value with changes in fair value recognized in profit and loss while the debt host contract was initially recognized at fair value and subsequently measured at amortized cost.

On 20 July 2012, HSBC Limited, Hong Kong, as the trustee, declared notice of accelerated payment of the BLT IC's bonds in accordance with the indenture. Hence, the subsidiary adjusts the carrying amounts of convertible bonds to their redemption value and accounted the convertion option value in accordance with the indenture. The conversion option value at the end of reporting date is nil.

Following the event of default, the trustee submitted its claim under PKPU. In association with the PKPU matters, the Company proposed the Restructuring Plan to restructure the bonds.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

- Principal of US$ 125 million; amortisation by bullet payment on 31 March 2023; forgive all outstanding and unpaid interest prior to 1 July 2012; interest capitalised from 1 July 2012 until 31 March 2015.

- Interest rate of 1% in years 1 to 4, 2% in years 5 to 8, 3% in years 9 to 10, quarterly cash pay (in arrears) from 30 June 2015 subject to the provisions under the cash waterfall principles set out in the Restructuring Plan being met.

- Accelerated repayment from cash sweep.
- New equity in the Company will be issued and distributed pro rata amongst all unsecured creditors. The total new equity available to unsecured creditors will be 25% of the enlarged share capital of the Company.
- Conversion rights to be given up for issuance of 1.44% equity in the Company.

Pursuant to the restructuring term sheet in the Restructuring Plan ratified after reporting date, the Group reclassifies all of its convertible bonds amounting to US$ 175,414 thousand to non-current liabilities. Accordingly, the Group recognises interest expense for the year 2012 based on the effective interest rate under Restructuring Plan.

29. DERIVATIVE FINANCIAL INSTRUMENTS

The Group utilizes cross currency and interest rate swap contracts to manage exposure to foreign currency and interest rate movement. Details of the derivative contracts are shown below:

	Liability from termination	Liability from termination	Liability from termination	Notional amounts		Fair value of Asset	Fair value of Liability
	30/06/2013	31/12/2012	30/06/2012	2012	2011	31/12/2011	
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cross currency swaps	4,073	4,038	4,003	352,272	352,272	1,338	24,494
Interest rate swaps	95,118	94,786	94,453	1,000,000	1,000,000	-	95,549
Embedded options	-	-	-	173,900	173,900	6,978	9,425
Total	99,191	98,824	98,456			8,316	129,468
Less current portion	-	-	-			1,338	4,396
Non-current portion	99,191	98,824	98,456			6,978	125,072

Details of the derivative financial instrument contract are as follows:

a. Cross currency swaps

The cross currency swaps require periodic exchange of payments based on the Rupiah and US$ notional amounts and final exchange or net settlement of the notional (principal) amounts on the maturity of the contracts. Such cross currency swaps mature on July 2012.

On 13 January, 3 April, 9 April and 20 July 2012, the Group received early termination notices for all outstanding currency swap transactions.

b. Interest rate swaps

The interest rate swaps require periodic exchange of floating and fixed interest payments on the US$ notional amounts and mature on January 2015 and February 2015.

On 31 January and 1 March 2012, the Group received early termination notice for interest rate swap transactions.

Following the events of early termination of contracts, counter parties of these transactions submitted their respective claims under PKPU. In association with PKPU matters, the Company proposed the Restructuring Plan to restructure the liability arising from this termination.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

- Total claims estimated at US$ 98,456 million and amortisation by bullet payment on 31 March 2023.

- Interest rate of 1% in years 1 to 4, 2% in years 5 to 8, 3% in years 9 to 10, quarterly cash pay (in arrears) from 30 June 2015 subject to the provisions under the cash waterfall principles set out in the Restucturing Plan being met.

- Accelerated repayment from cash sweep.

- New equity in the Company will be issued and distributed pro rata amongst all unsecured creditors. The total new equity available to unsecured creditors will be 25% of the enlarged share capital of the Company.

Pursuant to the restructuring term sheet in the Restructuring Plan after the reporting date, the Group classifies all liabilities arising from the termination of derivative financial instrument contracts into non-current liabilities. The Group also recognises liabilities arising from the termination of derivative financial instrument contracts of US$ 98,824 thousand, including the interest expense of US$ 368 thousand for the year 2012 based on the effective interest rate under Restructuring Plan.

Liabilities arising from the termination of derivative financial instrument contracts are solely based on the amounts admitted in PKPU. All liabilities arising from termination of derivative financial instrument contracts are binding under PKPU.

c. Embedded options

Embedded options represent the fair value of the conversion option and cash settlement from the US$ 125 million 12% Guaranteed Convertible Bonds due 2015 (as amended in 2010) and the US$ 125 million 12% Guaranteed Convertible Bonds due 2015.

The above derivatives are measured at the present value of future cash flows estimated and discounted based on applicable yield curves for the duration of the instruments.

In 2012, following the Group's event of default, the fair value of option was adjusted.

For accounting purposes, these contracts are not designated and documented as hedging instruments, and therefore hedge accounting is not applied. Gains and losses on these contracts recognized in earnings consist of the changes in fair value of the contract and the periodic net settlements of the related interest on the notional amount.

30. SHORT-TERM LOANS

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Merrill Lynch (Asia Pacific) Limited	35,747	35,747	30,000	29,421
Clio Marine Inc/Mitsui Bank	-	-	41,851	42,668
Bank Mizuho Indonesia	-	-	13,440	14,116
Total	35,747	35,747	85,291	86,205
Interest rates per annum during the period				
U.S. Dollar - Fixed	9%	9%	9%	9%
Yen - Fixed	-	-	4%	4%
Rupiah - Variable	-	-	1.75% above cost of funds	1.75% above cost of funds

a. Merrill Lynch (Asia Pacific) Limited

In September 2011, BULL obtained a US$ 50 million working capital loan facility from Merrill Lynch (Asia Pacific) Limited and Orchard Centar Master Limited (MLOR), which is repayable over 12 months at an interest rate of 9% per annum payable quarterly. The facility consists of two tranches - Tranche A with maximum loan amount of US$ 30 million and Tranche B with maximum loan amount of US$ 20 million, but to date only Tranche A has been fully drawn down. This facility is guaranteed by the Company and is secured over a portion of the Company's equity in BULL.

On 28 December 2011, BULL failed to pay the interest due to MLOR. MLOR declared event of default and filed claims against the Company in its PKPU proceedings as the guarantor of the loan.

Pursuant to the Restructuring Plan, MLOR's claims will remain unaffected and MLOR will be entitled to deal with its security in accordance with the terms and conditions set out in the security documents. Upon the successful restructuring of BULL and/or enforcement of MLOR's security, MLOR shall release the guarantees provided by the Company in relation to the loan facility and cease to be a creditor of the Company. In that event, MLOR shall not be entitled to receive any payments under the Restructuring Plan from the Company and/or any of its subsidiaries (except for BULL and its subsidiaries).

BULL has deferred payments of principal, interest and penalty. Currently, BULL and MLOR are under process of negotiation to settle the outstanding amounts.

b. Clio Marine Inc/Bank Mitsui

On 18 July 2011, a subsidiary obtained loan from Clio Marine Inc (CMI) with a total maximum credit of JPY 3.6 billion and collateralized by a corporate guarantee from the Company and a subsidiary's vessel. This loan bears interest rate at 4% above LIBOR per annum, and will mature in 1 (one) year.

On 7 November 2012, CMI declared event of default for non-payment of interest by the subsidiary.

c. Bank Mizuho Indonesia

Loan obtained from Bank Mizuho Indonesia (Mizuho) is a time revolving loan with a total combined maximum credit of Rp 130 billion or its US$ equivalent due on 18 October 2011 and was extended until 18 April 2012. Interest rate per annum is at the bank's cost of funds or SIBOR plus 1.2% per annum, which is paid between 7 - 30 days.

On 7 May 2012, Mizuho declared events of default for deferred payment of its obligations in accordance with loan agreement.

Following the events of default, the loan creditors submitted their respective claims under PKPU. In association with the PKPU matters, the Company proposed the Restructuring Plan to restructure the short term loans.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

a) Bank Mizuho Indonesia

- Principal of US$ 13.7 million and forgive all outstanding and unpaid interest prior to 1 July 2012.

- Principal amortisation over a repayment period of the date commencing from 1 April 2013 to the maturity date which is (i) the 10th anniversary there of from the date that this Restructuring Plan is ratified by the Jakarta Court, (ii) the earliest maturity date of any loan extended by any unsecured creditor (apart from trade creditors), or (iii) 31 March 2023, whichever is the earliest to occur (Maturity Date) with 32 equal quarterly instalments commencing year 3 with the first instalment starting 30 June 2015.

- Interest (LIBOR + 1.5%) will be capitalised from 1 July 2012 until 31 March 2014, then quarterly cash pay from 30 June 2014, provided that there is sufficient cash in year 2 to (i) build up the US$ 25 million minimum cash buffer, (ii) pay cash interest on the working capital facility, (iii) pay principal on the working capital facility, and if any of these conditions are not met for any quarter in year 2, such payments of interest in year 2 will be capitalised and added to principal.

- The rights of Mizuho to call an event of default in respect of this Restructuring Plan are as follows; if Mizuho still holds security over any vessel owned or operated by the Company, an event of default can be called for non payment of principal and interest after year 2; or if Mizuho no longer holds security over any vessel owned or operated by the Company, an event of default can be called for non payment of interest and principal after year 4.

- Accelerated repayment from cash sweep.

- The Company agrees that it will sell the vessel(s) which are secured to Mizuho (i.e. namely MT Indradi) by mutual consent with Mizuho at a sale price agreed and acceptable to Mizuho, provided that Mizuho gives reasonable notice in providing its request and that the sale of a vessel is conducted as an arm's length commercial transaction and that the sale price is at the vessel's market value.

- In the event that the vessel(s) are sold, the proceeds of such sale(s) will be used to offset/pay the last principal instalment) that is due to Mizuho and the maturity date of the amortised principal payments to Mizuho will be reduced accordingly.

- This Restructuring Plan shall not compromise any rights that Mizuho has in respect of the security in all secured vessel(s) and the Company shall not object or hinder any attempts by Mizuho to sell these vessel(s), whether pursuant to its security or otherwise.

b) Clio Marine Inc / Mitsui Bank

- Principal of US$ 41.2 million and forgive all outstanding and unpaid interest prior to 1 July 2012.

- Amortisation over a repayment period of the date commencing from 1 April 2013 to the maturity date which is (i) 10th anniversary thereof from the date that this Restructuring Plan is ratified by the Jakarta Court, (ii) the earliest maturity date of any loan extended by any unsecured creditor (apart from the trade creditors), or (iii) 31 March 2023, whichever is the earliest to occur (Maturity Date) with equal quarterly instalments commencing year 3.

- Interest (LIBOR + 4.0%) capitalised from 1 July 2012 until 31 March 2013, then quarterly cash pay from 30 June 2013, unless payments of interest are capitalised pursuant to the cash waterfall principles set out in the Restructuring Plan.

- Repayment of principal to be structured as a sale of the vessel, MT Widawati to CMI (US$ 25,857 thousand) and time charter back of the vessel to Chembulk Trading II LLC.

- Obligations under the loan agreement (US$ 12,095 thousand) to be novated to BLT Chembulk Corporation.

- The Company to guarantee the obligations of BLT Chembulk Corp and Chembulk Trading II LLC.
- Accelerated repayment from cash sweep.

In relation to the restructuring term sheet under the Restructuring Plan that has been ratified after the reporting period, the Group reclassifies loans from Mizuho and Mitsui amounting to US$ 26,389 thousand from short-term loans to long-term loans. Accordingly, the Group recognises interest expense for the year 2012 based on the effective interest rate under Restructuring Plan.

31. TRADE ACCOUNTS PAYABLE

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
By creditor				
Related parties				
Pan Union Agencies Pte. Ltd.	3,524	4,468	3,443	3,398
Thai Petra Transport Co. Ltd.	154	151	305	295
Others (each below Rp 1 billion)	-	313	-	162
Sub-total	3,678	4,932	3,748	3,855
Third parties				
Suppliers	71,820	79,453	90,860	81,430
Shipping agents	10,294	10,714	14,243	11,452
Sub-total	82,114	90,167	105,103	92,882
Total	85,792	95,099	108,851	96,737

Trade accounts payable represent liabilities to other shipping companies as agents and to sub-agents, and to suppliers for purchases of oil, fuel and spare parts, vessel equipment, and other disbursements. All trade accounts payable are unsecured.

32. ACCRUED EXPENSES

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Vessel operation and docking	31,393	20,865	37,822	36,973
Interest	13,380	12,477	22,900	19,043
Others	2,831	3,782	3,600	5,062
Total	47,604	37,124	64,322	61,078

33. OPERATING REVENUES

	2013	2012	2011
	US$'000	US$'000	US$'000
Operating revenues from :			
Chemical vessels	151,001	184,625	248,789
Gas vessels	20,223	26,503	24,003
Oil vessels	9,587	19,907	32,343
FPSO vessels	-	8,609	17,376
Others	236	375	600
Total	181,047	240,019	323,111

There were no revenues from a customer that exceeded 10% of total operating revenues.

34. VOYAGE EXPENSES

	2013	2012	2011
	US$'000	US$'000	US$'000
Fuel	58,841	88,733	90,684
Port charges	22,584	35,030	30,138
Total	81,425	123,763	120,822

There were no expenses from a specific party that exceeded 10% of the total voyage expenses.

35. VESSEL OPERATING EXPENSES

	2013	2012	2011
	US$'000	US$'000	US$'000
Vessel crews salaries	18,052	31,531	30,025
Insurance	3,809	7,107	4,757
Spareparts	3,273	4,309	4,175
Lubricants	2,337	2,551	3,832
Transportation	2,240	2,759	1,738
Repairs and maintenance	2,230	6,599	4,434
Processing of documents	2,020	1,033	1,513
Vessel crews meal allowances	1,182	1,501	1,652
Supplies	926	1,340	1,461
Docking expenses	-	1,396	1,406
Others	5,896	7,742	3,520
Total	41,965	67,868	58,513

There were no expenses from a specific party that exceeded 10% of the total vessel operating expenses.

36. ADMINISTRATIVE EXPENSES

	2013	2012	2011
	US$'000	US$'000	US$'000
Salaries	6,244	7,483	7,209
Professional fees	2,970	3,600	1,003
Office expenses	2,309	1,987	1,665
Transportation	585	675	879
Telecommunication	345	447	391
Representation	272	219	211
Marketing	221	286	472
Depreciation	184	293	472
Training and education	151	42	82
Bank charges	112	155	189
Employee benefits	-	21	511
Others	776	1,464	778
Total	14,169	16,672	13,862

37. FINANCE COSTS

	2013	2012	2011
	US$'000	US$'000	US$'000
Interest expenses on:			
Short-term loans, other payables and long-term loans	15,127	24,003	23,159
Bonds	10,450	453	35,418
Total	25,577	24,456	58,577
Profit sharing allocation and benefit on Syariah	-	561	2,107
Obligations under finance lease	10,503	13,222	17,327
Provisions	567	13,204	1,692
Total	36,647	51,443	79,703

38. INVESTMENT INCOME

	2013	2012	2011
	US$'000	US$'000	US$'000
Current accounts and others	60	142	1,265
Time deposits	4	64	498
Total interest income	64	206	1,763
Realized gain on FVTPL financial assets	-	-	2,401
Total	64	206	4,164

39. OTHER GAINS AND LOSSES

	2013	2012	2011
	US$'000	US$'000	US$'000
Gain (loss) on disposal of fixed assets	1,358	31,124	(599)
Restructuring expenses	(4,461)	(499)	-
Foreign exchange gain (loss) - net	8,154	14,838	(6,306)
Revaluation increase (decrease)	18,318	13,277	30,393
Gain (loss) on derivative transactions	-	27,046	(6,766)
Loss on disposal of other financial assets and changes in their fair values	-	(10,629)	-
Loss on seller's credit	-	(21,899)	-
Loss on termination of fleet lease contracts	-	(139,944)	-
Adjustments to redemption value of notes payable and convertible bonds	-	(240,517)	34,600
Others	(2,141)	(2,671)	4,787
Total	21,228	(329,874)	56,109

40. EARNINGS (LOSS) PER SHARE

Earnings (loss) in the current period attributable to owners of the Company used in the computation of earnings (loss) per share:

	2013	2012	2011
	US$'000	US$'000	US$'000
Earnings (loss) in the current period attributable to owners of the Company	723	(399,716)	23,262

Weighted average number of shares used in the computation of earnings (loss) per share:

	2013	2012	2011
	share	share	share
Weighted average number of shares	11,550,831,470	11,550,831,470	11,550,831,470

Earnings (loss) per share:

	2013	2012	2011
	US$	US$	US$
Earnings (loss) per share (in full amount) - Basic	0.0000	(0.0346)	0.0019

There was no effect of convertible bonds which potentially could be converted into the Company's shares at the end of reporting period; accordingly, diluted earnings (loss) per share were not presented.

41. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationships

- Bagusnusa is the ultimate controlling party of the Group.
- PT Tunggaladhi Baskara is a major shareholder of the Company.
- Bagusnusa is the parent company of PT Tunggaladhi Baskara. The majority shareholder of Bagusnusa is Mr. Hadi Surya, the Company's President Commissioner.
- Bagusnusa is the majority shareholder of PT Garuda Mahakam Pratama.
- Pan Union Agencies Pte. Ltd., Poseidon Elite Navigation Pte. Ltd. and Pan Union Shipping Pte. Ltd. are companies that are directly or indirectly owned by Ms. Siana Anggraeni Surya, one of the Company's Directors.
- Thai Petra Transport Co. Ltd is an associate company.
- PT Arpeni Pratama Ocean Line Tbk is owned by a close family member of Mr. Hadi Surya.

Transactions with Related Parties

Related party transactions within the Group have been eliminated on consolidation and are not disclosed in this note.

In the normal course of business, the Group entered into certain transactions with the above related parties based on terms and conditions agreed by both parties.

a. 0.96% (2011: 1.44% and 2010: 2.37%) of total voyage expenses was made with related parties. These transactions were made at mutually agreed prices, terms and conditions.

The details of direct costs incurred to related parties are as follows:

	2013	2012	2011
	US$'000	US$'000	US$'000
Pan Union Agencies Pte. Ltd.	323	1,215	1,448
Thai Petra Transport Co. Ltd.	308	405	979
PT Arpeni Pratama Ocean Line Tbk	85	56	308
PT Garuda Mahakam Pratama	69	109	129
Total	785	1,785	2,864

b. The balances of receivables from and payables to related parties are as follows :

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Trade accounts receivable	134	241	130	161
Percentage to total assets	0.01%	0.02%	0.01%	0.01%
Trade accounts payable	3,678	4,932	3,748	3,855
Other payables	27,217	27,577	27,853	24,891
Total	30,895	32,509	31,601	28,746
Percentage to total liabilities	1.35%	1.42%	1.36%	1.34%

c. Total compensation of the Company's key management (commissioners and directors) during the year are as follows:

	2013	2012	2011
	US$'000	US$'000	US$'000
Short-term benefits	546	665	731
Post-employment benefits	-	-	165
Total	546	665	896

In association with the PKPU matters, the Company proposed the Restructuring Plan to restructure intercompany claims.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

- It is proposed that the subsidiaries' claims ("Intercompany Creditors") be dealt with as set out; no payments to any intercompany creditor or satisfaction of any intercompany claim until all existing secured and unsecured creditors are repaid in full; intercompany creditors will not exercise their voting rights in the PKPU or otherwise assert or make any claims upon the Company in any manner whatsoever; all intercompany claims (except for any intercompany claims owned by BULL) shall be transferred to a new entity which will be a wholly owned subsidiary of the Company and this new entity will provide legally binding commitments to not participate in, vote in or otherwise affect any restructuring of debt or other claims against the Company; PIK interest of 2% per annum on intercompany claims by BULL and/or its subsidiaries; Intercompany claims owned by BULL and/or BULL subsidiaries shall be paid in priority to other intercompany claims.

- After ratification of the Restructuring Plan and before all creditors are repaid in full under the terms of this Plan, if the Company becomes the subject of another set of PKPU proceedings or other similar legal proceedings for the restructuring of its debts with its creditors collectively, the Intercompany Creditors shall refrain from voting as creditors of the Company in those proceedings.

As of the issuance date of the consolidated financial statements, the Company has not yet completed the transfer of the intercompany claims to a new entity.

42. SEGMENT INFORMATION

Product and services from which reportable segments derive their revenues

Information reported to directors for the purpose of resources allocation and assessment of segment performance focuses on type of products or services delivered or provided. The Group's reportable segments are engaged based on type of vessels chartered in chemical, gas, oil and FPSO and others.

The following summary describes the operations in each of the reportable segments:

a. Chemical tankers provide maritime transportation of liquid chemical (organic and non-organic) and vegetable oil and animal fats.

b. Gas tankers provide maritime transportation of liquified gas, which include among others; LPG, propylene, propane and LNG.

c. Oil tankers provide maritime transportation of lubricating oil (base oil and additives), crude oil and petroleum products.

d. FPSO provides floating tanker facility for production, storage and off-loading of oil.

The following is an analysis of the Group's revenues and results by reportable segments:

	Segment revenues			Segment profit (loss)		
	2013	2012	2011	2013	2012	2011
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Chemical	151,001	184,625	248,789	21,981	(13,227)	40,268
Gas	20,223	26,503	24,003	4,951	7,462	3,929
Oil	9,587	19,907	32,343	(1,138)	(6,525)	(4,408)
FPSO	-	8,609	17,376	(2,590)	6,114	12,939
Others	236	375	600	236	375	600
Total	181,047	240,019	323,111	23,440	(5,801)	53,328
Administrative expenses				(14,169)	(16,672)	(13,862)
Finance cost				(36,647)	(51,443)	(79,703)
Investment income				64	206	4,164
Share in profits (losses) of associates				7,655	2,445	4,690
Other gains and losses				21,228	(329,874)	56,109
Loss before tax				1,571	(401,139)	24,726

There were no revenues from a customer that represented 10% of total revenues.

Segment revenues reported above represented revenues generated from external customers.

The accounting policies of the reportable segments are the same as the Group accounting policies described in Note 2 to consolidated financial statements. Segment profit represents the profit earned by each segment without allocation of administrative expenses, finance cost, investment income, and share in profits (losses) of associates, and other gains and losses. This is the measure reported to the Directors as the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	30/06/2013	31/12/2012	30/06/2012	31/12/2011
	US$'000	US$'000	US$'000	US$'000
Segment Assets				
Chemical	561,782	587,697	756,118	906,785
Gas	147,337	169,715	265,499	275,127
Oil	84,026	69,468	125,834	146,443
FPSO	31,462	28,003	35,004	40,061
Others	132,465	4,191	77,223	46,775
Total	957,072	859,074	1,259,678	1,415,191
Assets classified as held-for-sale	135,008	135,008	135,008	135,000
Unallocated assets	9,843	114,627	133,017	182,626
Consolidated	1,101,923	1,108,709	1,527,703	1,732,817
Segment Liabilities				
Chemical	32,934	52,954	74,558	72,741
Gas	31,344	25,635	20,186	25,080
Oil	14,634	13,226	30,897	17,147
FPSO	1,017	1,027	1,393	2,206
Others	33,070	49,162	80,066	44,264
Total	112,999	142,004	207,100	161,438
Unallocated liabilities	2,170,982	2,153,082	2,122,567	1,985,994
Consolidated	2,283,981	2,295,086	2,329,667	2,147,432

Other segment information

	Depreciation		
	2013	2012	2011
	US$'000	US$'000	US$'000
Chemical	15,624	26,427	42,793
Gas	4,389	8,940	10,361
Oil	3,950	4,844	11,470
FPSO	644	609	2,144
Consolidated	24,607	40,820	66,768

Geographical Information

The Group are domiciled in two main geographical areas: Malaysia and Indonesia.

Segment information based on geographic areas is presented below:

	2013			
	Malaysia	Indonesia	Eliminated	Consolidated
	US$'000	US$'000	US$'000	US$'000
Revenues				
External revenues	154,101	26,946	-	181,047
Inter-segment revenues	2,991	2,326	(5,317)	-
Total revenues	157,092	29,272	(5,317)	181,047

	2012			
	Malaysia	Indonesia	Eliminated	Consolidated
	US$'000	US$'000	US$'000	US$'000
Revenues				
External revenues	200,724	39,295	-	240,019
Inter-segment revenues	3,804	4,600	(8,404)	-
Total revenues	204,528	43,895	(8,404)	240,019

	2011			
	Malaysia	Indonesia	Eliminated	Consolidated
	US$'000	US$'000	US$'000	US$'000
Revenues				
External revenues	257,972	65,139	-	323,111
Inter-segment revenues	11,505	-	(11,505)	-
Total revenues	269,477	65,139	(11,505)	323,111

43. RECONCILIATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INDONESIAN FINANCIAL ACCOUNTING STANDARDS

The consolidated financial statements are prepared in accordance with Indonesian financial accounting standards (PSAK). In connection with the listing of the Company's shares in SGX, the Company also issued consolidated financial statements prepared under International Financial Reporting Standards (IFRS).

Significant differences between PSAK and IFRS are described below:

a. Goodwill

Effective 1 January 2011, goodwill is no longer amortised but is reviewed for impairment at least annually in relation to the adoption of PSAK 22 (revised 2010). Prior to 1 January 2011 Under Indonesian PSAK, goodwill arising from business acquisition is recognized as an asset and amortized as an expense over its useful life using straight-line method. The amortization period should not exceed five years, unless a longer period not exceeding 20 years can be justified. The Company is amortizing goodwill over 20 years. At each reporting date, management assessed whether there was any indication of impairment of the cash-generating unit to which the goodwill is attached to.

Under IFRS, goodwill arising from business acquisition is initially recognized at cost, and is subsequently measured at cost less any accumulated impairment losses.

In applying IFRS, the Company ceases amortizing goodwill starting 1 January 2003, the transition period when the Company first prepared its IFRS financial statements. The accumulated amortization of US$ 3,747 thousand recognized under Indonesian PSAK as of 31 December 2002 has been eliminated with a corresponding decrease in the cost of goodwill. Goodwill amortization for the years ended December 2003 to 2010, which includes US$ 2,872 thousand in 2010 and 2009, were also reversed under IFRS.

Under PSAK, the Group recognized goodwill impairment of US$ 18,157 thousand (2011: US$ 11,305 thousand). Accumulated goodwill impairment and amortized goodwill in 2012 amounted to US$ 75,969 thousand (2011: US$ 64,665 thousand).

Under IFRS, the Group recognized goodwill impairment of to US$ 24,514 thousand (2011: US$ 39,784 thousand). Accumulated goodwill impairment amounted to US$ 72,845 thousand (2011: US$ 48,331 thousand).

b. Fixed assets

Effective on 1 January 2009, for Indonesian reporting purposes, the Group adopted the revaluation model in measuring the vessels subsequent to initial recognition.

For IFRS reporting purposes, the Group adopted the revaluation model in measuring the vessels subsequent to initial recognition, since 1 January 2003 the time its first consolidated IFRS financial statements were prepared.

Also, under PSAK, the cost of acquired land rights is capitalized as land, which is not depreciated. Under IFRS, land use rights are considered as leases and such rights are amortized over the period the holder is expected to retain the land rights.

c. Financial instruments

Under PSAK, prior to 1 January 2010, short-term and long-term loans are stated at nominal value, being the principal amount of the loan. Transaction costs on borrowings were classified as deferred charges and amortized on a straight-line basis over the period of the borrowings. For bonds payable, bonds issuance costs are deducted directly from the proceeds of the bonds. The difference between the net proceeds and principal amount of the bonds is amortized on a straight-line basis over the term of the bonds. All the proceeds obtained from issuance of convertible bonds are recognized as liabilities.

Effective 1 January 2010, financial liabilities, other than those measured at FVTPL, are measured at amortized cost. As a result transaction costs on the short-term and long-term loans and the bond issuance costs on the bonds payable were amortized using the effective interest rate, and deducted from the principal amount. Security deposits are recorded at fair value.

Under IFRS, financial liabilities other than those measured at FVTPL, are measured at amortized cost.

Under PSAK, prior to 1 January 2010, non-interest bearing security deposits on operating leases are recorded at undiscounted amounts.

Under IFRS, non-interest bearing security deposits on operating leases are recorded at fair value. The difference between the fair value and nominal amount is recorded as deferred rent and is amortized on a straight line basis over the lease term. Interest income is accreted on the security deposits using the effective interest rate.

d. Investment in associates

Under PSAK, when significant influence over an associate is lost, the investor measures any investment retained on the former associate at cost.

Under IFRS, when significant influence over an associate is lost, the investor measures at fair value any investment the investor retains in the former associate and recognize in profit and loss any difference between: (i) the fair value of any retained investment and any proceeds from disposing of the part of interest in the associate and (ii) the carrying amount of the investment at the date the significant influence is lost.

A summary of the adjustments to consolidated profit (loss) for the period and to consolidated shareholders' capital deficiency from PSAK to IFRS are set forth below:

	Note	2013	2012	2011
		US$'000	US$'000	US$'000
Earnings (losses) for the period according to the consolidated statements of income prepared under PSAK		1,204	(397,336)	22,507
IFRS adjustments - increase (decrease) due to:				
Amortization and impairment of goodwill	(a)	-	-	1,437
Amortization of land rights	(b)	-	-	(22)
Total adjustments		-	-	1,415
Consolidated profit (loss) for the period in accordance with IFRS		1,204	(397,336)	23,922

	Note	30/06/2013	31/12/2012	30/06/2012	31/12/2011
		US$'000	US$'000	US$'000	US$'000
Capital deficiency according to the consolidated statements of financial position under PSAK		(1,182,570)	(1,186,889)	(808,453)	(421,104)
IFRS adjustments - increase (decrease) due to:					
Amortization and impairment of goodwill	(a)	-	-	6,356	6,356
Amortization of land rights	(b)	(12)	(12)	(11)	(11)
Financial liabilities at amortized cost	(c)	-	-	(380)	(380)
Unrealized gain on sale of an associate	(d)	524	524	524	524
Total adjustments		512	512	6,489	6,489
Capital deficiency in accordance with IFRS		(1,182,058)	(1,186,377)	(801,964)	(414,615)

Reconciliations of consolidated statements of financial position between IFRS and PSAK are as follows:

	30/06/2013		
	PSAK	Reconciling items	IFRS
	US$'000	US$'000	US$'000
Fixed assets -net	754,962	(31)	754,931
Other financial assets	33,778	524	34,302
Other non-current assets	48,145	18	48,163
Total non-current assets	836,885	511	837,396
Trade accounts receivable	54,922	-	54,922
Restricted cash	2,819	-	2,819
Cash and cash equivalents	20,771	-	20,771
Other current assets	51,006	1	51,007
Assets classified as held for sale	135,008	-	135,008
Total current assets	264,526	1	264,527
Total assets	1,101,411	512	1,101,923
Share capital	109,575	-	109,575
Additional paid-in capital	135,964	177	136,141
Treasury shares	(6,516)	-	(6,516)
Difference arising from changes of equity of subsidiaries and effect of transactions with non-controlling interest	(13,462)	-	(13,462)
Reserves	42,559	(148)	42,411
Deficit	(1,524,715)	483	(1,524,232)
Capital deficiency attributable to owners of the Company	(1,256,595)	512	(1,256,083)
Non-controlling interest	74,025	-	74,025
Total capital deficiency	(1,182,570)	512	(1,182,058)
Long-term liabilities - net of current maturities			
Loans	719,533	-	719,533
Bonds payable	144,340	-	144,340
Notes payable	408,150	-	408,150
Obligations under finance lease	219,439	-	219,439
Other payables	255,401	-	255,401
Other non-current liabilities	282,522	-	282,522
Total non-current liabilities	2,029,385	-	2,029,385
Short-term loans	35,747	-	35,747
Trade accounts payable	85,792	-	85,792
Current maturities of long-term liabilities	71,239	-	71,239
Other current liabilities	61,818	-	61,818
Total current liabilities	254,596	-	254,596
Total capital deficiency and liabilities	1,101,411	512	1,101,923

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	31/12/2012		
	PSAK	Reconciling items	IFRS
	US$'000	US$'000	US$'000
Fixed assets - net	777,285	(31)	777,254
Other financial assets	33,778	524	34,302
Other non-current assets	39,911	18	39,929
Total non-current assets	850,974	511	851,485
Trade accounts receivable	58,743	-	58,743
Restricted cash	9,895	-	9,895
Cash and cash equivalents	11,293	-	11,293
Other current assets	42,284	1	42,285
Assets classified as held for sale	135,008	-	135,008
Total current assets	257,223	1	257,224
Total assets	1,108,197	512	1,108,709
Share capital	109,575	-	109,575
Additional paid-in capital	135,964	177	136,141
Treasury shares	(6,516)	-	(6,516)
Difference arising from changes of equity of subsidiaries and effect of transactions with non-controlling interest	(13,462)	-	(13,462)
Reserves	41,788	(148)	41,640
Deficit	(1,525,785)	483	(1,525,302)
Capital deficiency attributable to owners of the Company	(1,258,436)	512	(1,257,924)
Non-controlling interest	71,547	-	71,547
Total capital deficiency	(1,186,889)	512	(1,186,377)
Long-term liabilities - net of current maturities			
Loans	719,837	-	719,837
Bonds payable	143,260	-	143,260
Notes payable	404,077	-	404,077
Obligations under finance lease	225,886	-	225,886
Other payables	242,035	-	242,035
Other non-current liabilities	280,485	-	280,485
Total non-current liabilities	2,015,580	-	2,015,580
Short-term loans	35,747	-	35,747
Trade accounts payable	95,099	-	95,099
Current maturities of long-term liabilities	100,951	-	100,951
Other current liabilities	47,709	-	47,709
Total current liabilities	279,506	-	279,506
Total capital deficiency and liabilities	1,108,197	512	1,108,709

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	30/06/2012		
	PSAK	Reconciling items	IFRS
	US$'000	US$'000	US$'000
Fixed assets - net	1,148,099	(31)	1,148,068
Other financial assets	33,778	524	34,302
Other non-current assets	52,513	6,375	58,888
Total non-current assets	1,234,390	6,868	1,241,258
Trade accounts receivable	73,919	-	73,919
Other financial assets	316	-	316
Cash	20,780	-	20,780
Other current assets	56,421	1	56,422
Assets classified as held for sale	135,008	-	135,008
Total current assets	286,444	1	286,445
Total assets	1,520,834	6,869	1,527,703
Share capital	109,575	-	109,575
Additional paid-in capital	135,964	177	136,141
Treasury shares	(6,516)	-	(6,516)
Difference arising from changes of equity of subsidiaries and effect of transactions with non-controlling interest	(11,115)	-	(11,115)
Reserves	82,935	(1,905)	81,030
Deficit	(1,205,403)	8,217	(1,197,186)
Capital deficiency attributable to owners of the Company	(894,560)	6,489	(888,071)
Non-controlling interest	86,107	-	86,107
Total capital deficiency	(808,453)	6,489	(801,964)
Long-term liabilities - net of current maturities			
Loans	681,539	380	681,919
Other payables	166,769	-	166,769
Obligations under finance lease	232,343	-	232,343
Other non-current liabilities	682,254	-	682,254
Total non-current liabilities	1,762,905	380	1,763,285
Short-term loans	85,291	-	85,291
Trade accounts payable	108,851	-	108,851
Current maturities of long-term liabilities	299,402	-	299,402
Other current liabilities	72,838	-	72,838
Total current liabilities	566,382	-	566,382
Total capital deficiency and liabilities	1,520,834	6,869	1,527,703

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	31/12/2011		
	PSAK	Reconciling items	IFRS
	US$'000	US$'000	US$'000
Fixed assets - net	1,281,950	(31)	1,281,919
Other financial assets	33,778	524	34,302
Other non-current assets	74,598	6,375	80,973
Total non-current assets	1,390,326	6,868	1,397,194
Trade accounts receivable	94,519	-	94,519
Cash	20,310	-	20,310
Other financial assets	27,900	-	27,900
Other current assets	57,893	1	57,894
Assets classified as held for sale	135,000	-	135,000
Total current assets	335,622	1	335,623
Total assets	1,725,948	6,869	1,732,817
Share capital	109,575	-	109,575
Additional paid-in capital	135,964	177	136,141
Treasury shares	(6,516)	-	(6,516)
Difference arising from changes of equity of subsidiaries and effect of transactions with non controlling interest	1,328	-	1,328
Reserves	82,577	(1,905)	80,672
Deficit	(807,556)	8,217	(799,339)
Capital deficiency attributable to owners of the Company	(484,628)	6,489	(478,139)
Non-controlling interest	63,524	-	63,524
Total capital deficiency	(421,104)	6,489	(414,615)
Long-term liabilities - net of current maturities			
Loans	113,213	380	113,593
Other payables	40,652	-	40,652
Obligations under finance lease	334,810	-	334,810
Other non-current liabilities	470,570	-	470,570
Total non-current liabilities	959,245	380	959,625
Short-term loans	86,205	-	86,205
Trade accounts payable	96,737	-	96,737
Current maturities of long-term liabilities	924,586	-	924,586
Other current liabilities	80,279	-	80,279
Total current liabilities	1,187,807	-	1,187,807
Total capital deficiency and liabilities	1,725,948	6,869	1,732,817

Reconciliations of consolidated statements of comprehensive income between IFRS and PSAK are as follows:

	2013		
	PSAK	Reconciling items	IFRS
	US$'000	US$'000	US$'000
Operating revenues	181,047	-	181,047
Voyage expenses	(81,425)	-	(81,425)
Operating revenues after voyage expenses	99,622	-	99,622
Charter expenses	(9,610)	-	(9,610)
Vessel operating expenses	(41,965)	-	(41,965)
Vessel depreciation	(24,607)	-	(24,607)
Gross loss	23,440	-	23,440
Administrative expenses	(14,169)	-	(14,169)
Finance costs	(36,647)	-	(36,647)
Investment income	64	-	64
Share in profit of associates	7,655	-	7,655
Other gains and losses	21,228	-	21,228
Loss before tax	1,571	-	1,571
Tax expenses	(367)	-	(367)
Loss for the period	1,204	-	1,204

	2012		
	PSAK	Reconciling items	IFRS
	US$'000	US$'000	US$'000
Operating revenues	240,019	-	240,019
Voyage expenses	(123,763)	-	(123,763)
Operating revenues after voyage expenses	116,256	-	116,256
Charter expenses	(13,369)	-	(13,369)
Vessel operating expenses	(67,868)	-	(67,868)
Vessel depreciation	(40,820)	-	(40,820)
Gross loss	(5,801)	-	(5,801)
Administrative expenses	(16,672)	-	(16,672)
Finance costs	(51,443)	-	(51,443)
Investment income	206	-	206
Share in profit of associates	2,445	-	2,445
Other gains and losses	(329,874)	-	(329,874)
Loss before tax	(401,139)	-	(401,139)
Tax expenses	3,803	-	3,803
Loss for the period	(397,336)	-	(397,336)

	2011		
	PSAK	Reconciling items	IFRS
	US$'000	US$'000	US$'000
Operating revenues	323,111	-	323,111
Voyage expenses	(120,822)	-	(120,822)
Operating revenues after voyage expenses	202,289	-	202,289
Charter expenses	(23,680)	-	(23,680)
Vessel operating expenses	(58,513)	-	(58,513)
Vessel depreciation	(66,768)	-	(66,768)
Gross loss	53,328	-	53,328
Administrative expenses	(13,840)	(22)	(13,862)
Finance costs	(79,703)	-	(79,703)
Investment income	4,164	-	4,164
Share in profit of associates	4,690	-	4,690
Other gains and losses	54,672	1,437	56,109
Loss before tax	23,311	1,415	24,726
Tax expenses	(804)	-	(804)
Loss for the period	22,507	1,415	23,922

44. SIGNIFICANT COMMITMENTS

a. The Group has charter contracts with Pertamina amounting to US$ 12 million – US$ 25 million per year which will end in 2013 – 2016.

b. The Group has outstanding charter contracts under operating leases with third parties amounting to US$ 1 million – US$ 58 million per year which will end in 2012 – 2022.

During the year 2012, Chembulk Trading II LLC, a subsidiary, entered into four operating lease agreements for chemical vessels with third parties amounting to US$ 1 million – US$ 12 million which will end in 2013 – 2024. At the end of reporting period, all four operating leases are still active.

Operating lease vessel contracts for the years ended 2010 – 2011 had been terminated in 2012.

At the end of reporting period, the Group has outstanding commitments under non-cancellable charter contracts, with scheduled maturities as follows:

	31/12/2012	31/12/2011
	US$'000	US$'000
Within one year	12,347	58,585
In the second to fifth years inclusive	21,216	211,740
After five years	19,641	168,851
Total	53,204	439,176

c. On 15 October 2010, the Company entered into a Bank Guarantee Issuance Agreement with BCA where BCA issued a Bank Guarantee to the Company at a maximum amount US$ 4,055 thousand. The agreement provides guarantee to the contract with Kangean Energy Indonesia Ltd with a validity period up to 14 December 2014. On 16 March 2012, BCA and the Company agreed to amend the terms of the agreement where BCA will provide bank guarantee at a maximum amount US$ 1,063 thousand. The bank guarantee has been returned to BCA on 5 February 2013.

d. In April 2008, Chembulk Tankers LLC obtained an irrevocable Standby Letter of Credit (SBLC) facility from ING Bank N.V, Singapore Branch amounting to US$ 29.2 million. Such SBLC is secured by MT Gas Bangka and subsidary's available fund in ING bank and reduced periodically by US$ 3.6 million and matures on 19 January 2019.

In association with PKPU, the Company proposed the Restructuring Plan to restructure the SBLC.

The key restructuring term sheet under the Restructuring Plan ratified after reporting date are summarized below:

- The SBLC facility of US$ 25.6 million will be restructured in accordance with terms to be separately agreed between the Company and ING Bank N.V., Singapore Branch (ING).

- The restructured facility will be secured by security comprising: (i) a first priority mortgage and first priority assignment of the earnings and insurances of Gas Bangka; (ii) all cash held in a cash collateral account with ING; and (iii) all cash held in an earnings account with ING and any other securities provided to ING under the existing facility agreement. Cash in (ii) and (iii) shall not be included in the calculation of excess cash for the purposes of the cash waterfall and cash sweep under the Restructuring Plan.

- Earnings of Gas Bangka shall continue to be paid into the earnings account held with ING and shall not be subject to the cash waterfall and cash sweep provisions in the Plan nor included in the calculation of excess or surplus cash for the purposes of the cash waterfall and cash sweep under the Restructuring Plan.

- The excess earnings of Gas Bangka, after payments of (i) ship manager's costs (as per approved budget); (ii) on-going SBLC commissions; (iii) reasonable operating expenses (as approved by ING); (iv) insurance premiums (incl. reimbursement of MII) will be used to; First, to pay unpaid commissions (including any default payments) under this facility; Second, the build-up of a cash buffer, up to a maximum equal to the amount of commission to be paid under this facility for the next 2 quarters; Third, the build-up of a survey reserve on a separate survey account (to be pledged to ING) for the purpose of meeting the costs for the next survey of Gas Bangka. The calculation method for such survey reserve and quarterly build-up to be agreed upon; Fourth, to top up the cash collateral until the security ratio is equal to 1. The security ratio is the ratio of the outstanding total amount of ING's actual and contingent liability under this facility to the aggregate of (i) the value of Gas Bangka; and (ii) all cash collateral in either the earning account, the cash collateral account or other accounts held by ING as security for this facility but excluding the cash buffer and cash in survey account mentioned above; and all excess earnings, which causes the security ratio to be more than 1, will be freely available to the Company as long as, and to the extent that immediately after release of the cash, the security ratio will not drop below 1 and no event of default has occurred or is continuing since the date of the restructuring.

45. LITIGATIONS

a. On 26 January 2012, the Company decided to temporarily cease repayment of all Company's bank loans, bonds, payment on ship leases and on similar obligations of its other subsidiaries, save for BULL (collectively the Group), to enable the Group to review its financial position and arrangements. Therefore, several of the Group's creditors declared events default. On 14 June 2012, Mandiri filed PKPU.

- PKPU Proceedings in Indonesia

  The requisite majority of the secured and unsecured creditors of the Company voted to approve a plan for the restructuring of its debts, as part of the PKPU process overseen by the Central Jakarta Commercial Court. The Restructuring Plan was approved by the Company's creditors on 14 March 2013 and ratified by the Central Jakarta Commercial Court on 22 March 2013.

  On 28 March 2013, six related Indonesian bondholders filed an appeal to the Supreme Court of the Republic of Indonesia against the decision of the Central Jakarta Commercial Court in ratifying the Restructuring Plan. On 29 July 2013, the Supreme Court of the Republic of Indonesia advised that the PKPU Appeal of such six bondholders had been dismissed. The Supreme Court of the Republic of Indonesia has yet to deliver it's a copy formal decision.

- Chapter 15 Proceeding in the United States

  Following the ratification of the Company's Restructuring Plan by the Central Jakarta Commercial Court, on 26 March 2013 the Company filed an application for recognition in the United States of the Indonesian PKPU proceedings, pursuant to Chapter 15 of the United States Bankruptcy Code.

  On 28 March 2013, the United States Bankruptcy Court ("US Court") issued a provisional injunction staying litigation against the Company. On 21 May 2013, the US Court granted recognition of the Indonesian PKPU proceedings as a foreign main proceeding. The order for recognition is accompanied by an injunction staying all litigation and enforcement proceedings against the Company within the US. The next step in the Chapter 15 process is for the Company to file an application seeking enforcement of the Restructuring Plan in the US.

- Section 210 (10) Proceedings in Singapore

  Following the ratification of the Company's Restructuring Plan by the Central Jakarta Commercial Court, the Singapore High Court extended the validity of its protective orders on some of the Company's subsidiaries ("Relevant Subsidiaries") on several hearings with the latest extension to 27 September 2013.

  In September 2013, the Relevant Subsidiaries filed applications to the Singapore High Court pursuant to Section 210 (1) of the Companies Act. In these applications, the Relevant Subsidiaries sought leave from the Singapore High Court to convene a meeting of the creditors of each Relevant Subsidiary, with a view to approving a scheme of arrangement between each Relevant Subsidiary and its creditors. These applications were heard and granted by the Singapore High Court on 13 September 2013. At the same hearing, the Singapore High Court also extended the validity of the protective orders granted to each Relevant Subsidiary under Section 210 (10) of the Companies Act to 29 November 2013. The Relevant Subsidiaries will proceed to hold meetings of their respective creditors.

The Relevant Subsidiaries' proposals under their respective schemes of arrangement are part of the implementation of the restructuring initiatives set out in the Restructuring Plan proposed by the Company and approved by the Indonesian courts in the Company's PKPU process. The terms being proposed to each of the Relevant Subsidiaries' creditors under the schemes of arrangement mirror, insofar as possible, the terms proposed to similarly placed creditors of the Company under the Restructuring Plan. The schemes of arrangement do not concern any bank borrowings of the Company or its subsidiaries, which are being restructured separately.

The Singapore Court proceedings in respect of the Relevant Subsidiaries continue to receive recognition in the United States under Chapter 15 of the United States Bankruptcy Code.

b. On 25 September 2012, ASL Marine Holdings (ASL), Singapore, arrested one of the Company's vessels (MT Gas Kalimantan) in South Korean waters to recover payment owed to it for repair works, amounting to US$ 6,779 thousand.

Gas Kalimantan is pledged to BCA so the bank would have first priority rights over any proceeds from the sale of the vessel.

On 6 March 2013, the Company commenced proceedings in Civil Case No. 183/PDT.G/2012/PN.BTM against ASL in the District Court of Batam (Batam Court) where the Batam Court granted the Company an attachment order for ASL's shipyard in Batam, after it ruled in favour of the Company's petition arguing that an arrest by ASL of MT Gas Kalimantan in South Korea was wrongful.

On 9 October 2013, ASL and the Company has entered into the Settlement Agreement with the following key settlement terms; the settlement sum of USD 5.4 million to be paid to ASL in installments as agreed upon in the Settlement Agreement; provided that the Company discontinues the attachment order on ASL's Batam Shipyard; and ASL releases MT Gas Kalimantan from arrest.

On 13 November 2013, the Batam Court announced the discontinuation of the attachment order on ASL's Batam Shipyard. This led to the release of MT Gas Kalimantan on 15 November 2013. The first payment from the Company to ASL commenced for December 2013 in accordance to the Settlement Agreement.

c. On 14 December 2005, the Company obtained a US$ 13 million loan facility (loan) from Teekay Corporation (Teekay). The Loan is secured in the form of an equitable mortgage, alternatively an equitable charge, over the 500 shares in BLT LNG Tangguh Corporation (Shares) held by Diamond Pacific International Corporation (Security Agreement).

Between 22 November 2011 and 22 February 2012, the Company failed to meet outstanding interest and principal repayments, amounting to a total of US$ 1,002 thousand. On 23 February 2012, Teekay gave notice to the Company that the failure to pay the aforementioned amounts constituted an event of default and demanded the immediate repayment of the accelerated Loan amount of US$ 10,461 thousand. However, no repayment was forthcoming and on 29 February 2012, Teekay commenced proceedings in the Commercial Court of England (English Court) against the Company to recover the accelerated loan amount.

On 6 July 2012, Teekay obtained summary judgement in respect of the full amount of its claim by Order of Mr Justice Popplewell but the judgement remains unsatisfied and the Events of Default set out above remains unremedied and unwaived. Therefore, Teekay is entitled to enforce its equitable mortagage/charge under the Security Agreement. On 11 October 2012, Teekay claimed the Shares to be worth no more than US$ 11,128 thousand plus the further costs of enforcement since 6 July 2012, which is owed to Teekay as at 10 October 2012 (Shares' Value) and seeked a Court-directed sale of the Shares. On 26 November 2012, the Company filed a Defence, denying the Shares' Value and based on a discounted cash flow basis of valuation is approximately US$ 52,440 thousand. On 10 May 2013, the Company filed an Amended Defence, reinforcing the valuation.

On 7 February 2013, the English Court ordered for the trial of the claims before a Judge between 1 December 2013 and 28 February 2014. Until the date of the issuance of the consolidated financial statements, the above matter is still in legal process and management is not able to assess the final outcome of such legal process.

d. On 7 March 2013, Golden Pacific International & Holdings (s) Pte Ltd (GPIH), owner of the vessel MT Golden Ambrosia issued a Letter of Demand to the Group to recover payment owed to it for outsanding charter hire and additional expenses, amounting to US$ 742 thousand. On 14 August 2013, GPIH completed the full submission of supporting documents related to the claims for adjudication by the Company.

   Until the date of the issuance of the consolidated financial statements for the year ended 31 December 2012, the above matter is still in its adjudication process and management is not able to assess the final outcome of the adjudication process, therefore, the management has not made any provision in regard to the claim.

In addition to the legal cases mentioned above as of 31 December 2012, the Group also faced legal proceedings initiated by certain third parties but has been settled or stayed as reporting date. The Group is unable to disclose further information in relation to the legal proceedings or their respective outcomes since the rules of the arbitration body handling these legal proceedings did not allow the disputing parties to disclose the legal proceedings to third parties without prior consent of all parties to the arbitration proceedings.

The Group management represents that there are no other ongoing legal cases or arbitration insofar as they are aware which are faced by the Group in addition to those disclosed above.

46. OVERVIEW OF THE RESTRUCTURING PLAN

On 22 March 2013, the Restructuring Plan dated 13 March 2013 was ratified by the decision of the Central Jakarta Commercial Court on the case No. 27/PKPU/2012/PN. NIAGA. JKT. PST, wherein all parties must abide by and perform the terms of the Restructuring Plan and the Company was discharged from the PKPU proceedings.

Prior to the ratification of the Restructuring Plan, there were already ongoing restructuring steps taken by the Company such as business preservation, cash management, fleet restructuring including renegotiation of leases, tonnage allocation, sale of non-profitable vessels, appointment of third party ship management, sales of ethylene vessels, office rationalization, better efficiency in general and administrative activities and the management of vessel operations.

Further, the Company had agreed with MLA for a working capital facility in certain amount, part of which provides the necessary funding other than funding derived from the sale proceeds of vessels to perform necessary restructuring initiatives. In connection with this working capital facility, the MLA Lenders have set out a number of requirements as a condition for providing the funds among others the security, addressing the Group's structure, the secured shares, changes in management, sales of certain vessels, monitoring accountant and assessment of tax implications on restructuring.

PKPU creditors under the Restructuring Plan are classified as (1) secured creditors, comprising of Mandiri, BCA, Deutsche Bank AG, Bank Mizuho and MLOR; and (2) unsecured creditors, comprising of HSBC Bank USA (trustee of notes payable), HSBC Hong Kong Limited (trustee of convertible bonds), Bank CIMB Niaga Tbk (trustee of bonds payable), Gramercy Distressed Opportunity Fund (Gramercy) (bondholder), Cowell & Lee Asia Credit Opportunity Fund (bondholder) and others. The majority of secured and unsecured creditors have agreed to the Restructuring Plan. The ratified Restructuring Plan prescribes, among others:

a. The Plan has been developed in the face of a number of adverse factors including: challenging and persistently poor shipping market conditions; severe working capital crisis and the need to fund restructuring initiatives from operating cash flows; simultaneous financial restructuring of BULL, a subsidiary; application of Chapter 11 petition by Gramercy against the Company in New York; maritime law requirements and processes in different jurisdictions.

b. The Plan is based upon a fundamental analysis of forecast earnings (taken into account current performance and market forecasts) and having regard to each creditor's relative position including security rights, vessel earnings, currency and stipulated requirements.

c. The Plan relies on key assumptions such as the availability of additional working capital, the succesfully completion of restructuring initiatives for the Plan to be effective, market growth assumption, sale of assets, renewal of aging chemical tankers and increasing fleet size by time chartering.

d. The key drivers of improved performance for the Company on the forecast are better than expected freight rates and/or lower bunker prices.

e. On the basis that the improved EBITDA is achieved, a proposal for sharing of the surplus cash amongst creditors (to amortise debt), whilst retaining sufficient cash for important capex initiatives (fleet replenishment) has been developed. A cash flow waterfall will be implemented based upon the payments being made as stated in the Restructuring Plan.

f. A cash sweep shall be implemented half-yearly with respect to surplus cash after payments on the cash flow waterfall are made and the working capital facility is fully repaid. The cash sweep enables additional principal repayments to be applied to the outstanding balance (in inverse chronological order) in respect of outstanding secured and unsecured creditors and allocation to a capex reserve on the certain pro-rata basis as stated in the Restructuring Plan.

g. Key observations from such assumptions and analysis include; secured creditors will be repaid substantially quicker – by year 6 for the MLA Lenders and for most other secured creditors; unsecured creditors are amortised substantially over the 10 year period commencing year 3; the capex reserve would build up allowing for replenishment of the fleet primarily from cash reserves and there are no necessary capex requirements in years 1 to 5.

h. The key principles underpinning the proposed restructuring of the Company's debt are set out that (1) secured creditors will retain 100% of their principal debt which will all be denominated in US$ or Rp (as the case may be, except for the MLA Lenders whose debt shall at all times remain denominated in US$) with repayments extended up to 10 years in line with the earnings of their vessels. Interest rate margins will remain in accordance with original debt facilities but will reflect US$ or Rp cost of funds. The Company and any secured creditor may by mutual consent convert the currency of their principal debt at any time; (2) unsecured creditors will retain 100% of their principal debt, with a bullet repayment in year 10. Interest rates are increased over time in line with forecasts and available funds with interest rates for Rp denominated debt and US$ debt reflecting an appropriate currency differential; (3) trade suppliers will receive up to 80% payment of outstanding amounts over 5 years; (4) and fundraising of certain amount during the 10 year period.

i. The amount outstanding to each of the secured and unsecured creditors entitled to vote on the Plan (the Plan Creditors) for the purposes of this PKPU is determined by reference to the Daftar Piutang Tetap (PKPU Creditor List) confirmed by the Supervisory Judge on 5 December 2012 or any subsequent, amended or revised Daftar Piutang Tetap confirmed by the Supervisory Judge (save for certain lease creditors who have agreed or will agree with the Company to have the value of their claim determined by an independent adjudicator). Where there is insufficient cash to pay a quarterly instalment of interest or principal owing to a secured creditor; that secured creditor may, in its discretion, by notice in writing to the Company, agree to add the amount of that instalment to the next quarterly instalment rather than demand immediate payment.

j. A summary of the revised proposed terms for unsecured creditors is (1) interest payments are subject to a maximum LTV of 100% on the MLA Lenders' loan facility whereby (Loan To Value) LTV is determined based on the value of the collateral vessels mortgaged to the MLA Lenders ("LTV Test"); (2) and unsecured creditors shall not be entitled to call an event of default for any non-payment of interest occurring at the earlier of 1 April 2017, or until such time as the LTV on the MLA Lenders' facility is 70% or less, whichever is earlier.

k. Upon the Restructuring Plan being sanctioned by the Court, the Company will obtain (and take all steps necessary in relation thereto to obtain, and at all times in full consultation with the US$ Bondholders) recognition of the Restructuring Plan and the PKPU process under Chapter 15 of the United States Bankruptcy Code. The subsidiaries of the Company which have taken out applications under section 210 (10) of the Companies Act intend to present schemes of arrangement under section 210 of the Companies Act to give effect to the principal and relevant terms of this Restructuring Plan in respect of that particular subsidiary, provided that the MLA Lenders support this course of action. Where necessary, the relevant subsidiaries of the Company which successfully put in place schemes of arrangement under section 210 of the Companies Act intend to obtain recognition of those schemes under Chapter 15 of the United States Bankruptcy Code.

l. The Company and the Plan Creditors agree to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents as may be required by law or as may be necessary to implement and/or give effect to the Restructuring Plan and the transactions contemplated thereby. For the avoidance of doubt, (i) the MLA Lenders are not considered to be the Restructuring Plan Creditors and will enter into a separate term sheet and definitive restructuring documentation with the borrower and guarantors of the MLA facility with terms and provisions that are consistent with the provisions of this Plan; (ii) ING Bank N.V. is not considered to be a Plan Creditor and will enter into a separate term sheet and definitive restructuring documentation with obligors of the SBLC, with terms and provisions that are consistent with the provisions of this Plan; and (iii) while MLOR are creditors of the Company, they will not receive any payments under this Restructuring Plan from the Company and/or any of its subsidiaries (except for BULL and its subsidiaries) under this plan upon the completion of a separate transaction pursuant to the BULL restructuring to deal with their claims and security. For as long as the Company's obligations under this Restructuring Plan remain outstanding, the Company undertakes that it shall not do certain things as stipulated in the Restructuring Plan.

m. Without prejudice to the foregoing, the Company and the Plan Creditors (except the Lease creditors, Other unsecured creditors, Trade Creditors and Intercompany, as those terms are used), may agree to execute and deliver (or procure the execution and delivery of) such documentation as may be necessary under relevant law to record, amend and/or restate the terms and conditions governing each of the debts owed by the Company and/or its subsidiaries to the relevant Plan Creditor such that those terms and conditions are consistent with and do not conflict with any terms of the Plan and the transactions contemplated hereby, including without limitation one or more voluntary consent solicitations or mandatory exchange offers in accordance with applicable law, including, without limitation the US$ Bonds term sheet and the documentation contemplated thereunder (the "Definitive Documentation"). An event of default may only arise under the Plan and/or Definitive Documentation as a result of a breach of the express terms of the Plan itself and not additional terms set out in any Definitive Documentation (excluding for the purposes of this provision, any and all Definitive Documentation relating to the US$ Bonds).

The Company, its relevant subsidiaries and the US$ Bondholders are in the process of entering into a term sheet in respect of the US$ Bonds setting out certain terms on which the Company, its relevant subsidiaries and the US$ Bondholders expect to restructure the terms of the indebtedness owing (actually or contingently) by the Company and its relevant subsidiaries to the US$ Bondholders under the US$ Bonds outside of the PKPU proceedings pursuant to the separate documents implementing the restructuring of the actual and contingent indebtedness of the Company and its relevant subsidiaries to the US$ Bondholders. The terms and provisions of the US$ Bonds term sheet will be consistent with the provisions of this Plan and the Company undertakes to enter into the US$ Bonds term sheet and any and all other documentation contemplated thereunder and to take all steps reasonably necessary to make such documentation effective as soon as practicable following the approval of this Plan. The Plan also governs requirements adhered to in the Defenitive Documentation.

n. The Company and/or its subsidiaries shall be required to fulfill its obligations under this Agreement only insofar as such approvals and consents as may be necessary have been obtained (and have not been withdrawn or amended) from such regulatory or supervisory authorities as may be necessary, including without limitation the SGX, BEI, the Otoritas Jasa Keuangan (or OJK) or the shareholders of the Company or of BULL, subsequent to the Plan being sanctioned by the Court.

o. Upon the approval of the Restructuring Plan by the Plan Creditors and the Jakarta Court, any further amendment to the Restructuring Plan will be subject to approval by at least 50% in number and 66.67% in value of aggregate outstanding debt of two classes (secured and unsecured) of, Plan Creditors, at such time, as such secured and unsecured Plan Creditors vote, provided, however, that (i) any amendment purporting to include the MLA Lenders, ING Bank N.V. as a Plan Creditor (except by reason of the MLA Lenders, ING Bank N.V.) shall require the written consent of the MLA Lenders or ING Bank N.V; (ii) for so long as any amount of indebtedness remains owing to the MLA Lenders, any amendment to certain section in the Palan shall require the written consent of the MLA Lenders; (iii) an amendment or waiver to certain section in the Plan to the rights or obligations of the SBLC Bank, the earnings account of MT Gas Bangka, the earnings of MT Gas Bangka or of any security held by ING Bank N.V. to secure the SBLC Facility may not, so long as any actual or contingent liability remains under the SBLC Facility, be effected without the consent of the ING Bank N.V.; and (iv) no amendment shall be made to the terms described in relation to the US$ Bondholders or to any other term which would affect any such other agreements and documents as are agreed between the Company and the US$ Bondholders without the specific written consent of the US$ Bondholders.

47. EVENTS AFTER REPORTING PERIOD

a. In 2013, subsidiaries have sold vessels MT Barawati, MT Pergiwo, MT Badraini, MT Pradapa, MT Ontari and MT Gas Bali to third parties.

b. GBLT Shipmanagement Pte. Ltd., a subsidiary, was put into creditors' voluntary winding up on 17 April 2013. As at the date of liquidation, GBLT has outstanding trade payables of US$ 20 million. These payables will be adjudicated by the liquidators. The proceeds of such liquidation have yet to be determined as at date of issuance of report.

c. On November 2013, PT Bank Negara Indonesia (Persero) Tbk. provided a credit facility amount of Rp 279,181,000 thousand to BULL which will be used to repay Existing Loan facility. Maturity period of this facility is 96 months from the signing of the loan agreement.

d. On November 2013, Lembaga Pembiayaan Ekspor Indonesia (Indonesian Eximbank) provided a credit facility in US$ currency equivalent with amount of Rp 193,750,000 thousand to BULL which will be used to repay Existing Loan facility. Maturity period of this facility is 96 months from the signing of the loan agreement.

e. On November 2013, Mr Jaka Prasetya submitted his resignation letter as Independent Comissioner and member of Audit Comitee of the Company.

48. MANAGEMENT RESPONSIBILITY AND AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The preparation and fair presentation of the consolidated financial statements are the responsibilities of the management and were authorized by the Commissioners and Directors for issue on 27 February 2014.

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