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CAO SIGNS JOINT VENTURE AGREEMENT IN RELATION TO OILHUB KOREA YEOSU CO., LTD (“OKYC”)

1. INTRODUCTION

- 1.1 The Board of Directors of the Company refers to the announcement by the Company on 8 October 2011 relating to the proposed subscription by the Company of a 26-percent equity interest in Oilhub Korea Yeosu Co., Ltd (the "**Stock Subscription Agreement**") between CAO and OKYC (the "**Proposed Subscription**"). The Proposed Subscription is conditional upon satisfaction of conditions precedent which included inter alia, the obtaining all necessary governmental and/or regulatory authorities and/or third party approvals that are necessary for carrying out the transactions contemplated under the Stock Subscription Agreement.
- 1.2 On 19 December 2011, each of Samsung C&T Corporation ("**Samsung**"), LG International Corp. ("**LG**") and Seoul Line Corporation ("**Seoul Line**") entered into a share sale and purchase agreement (the "**Share Sale & Purchase Agreements**") with Korea National Oil Corporation ("**KNOC**") pursuant to which, each of Samsung, LG and Seoul Line agreed to purchase from KNOC such number of shares in the capital of OKYC (the "**Proposed Share Sale & Purchase**") and upon the completion of the Proposed Share Sale & Purchase, the equity interest of Samsung, LG and Seoul Line in the capital of OKYC will be 10%, 5% and 8% respectively.

2. OKYC

- 2.1 The principal business of OKYC includes the construction, development, owning, operation, management and maintenance of a commercial bulk liquid storage terminal facility (including jetties) (the "**Oil Storage Terminal Facility**") in Yeosu, Jellanam-do, South Korea. The Oil Storage Terminal Facility which is currently under construction and when completed, will have a total storage capacity of 8.18 million barrels for the storage of crude oil and other petroleum products.

3. AMENDED AND RESTATED JOINT VENTURE AGREEMENT

- 3.1 The Board of Directors of the Company wishes to announce that the Company has entered into an amended and restated joint venture agreement (the "**Joint Venture Agreement**") with existing shareholders of OKYC namely, KNOC, SK Energy Co. Ltd ("**SK Energy**") and GS Caltex Corporation ("**GS Caltex**") as well as with Samsung, LG and Seoul Line. The Joint Venture Agreement shall take effect from the date of legal completion of the Stock Subscription Agreement and the Share Sale & Purchase



Agreements (the "**Effective Date**"), and shall remain in force and effect until OKYC is dissolved or otherwise ceases to exist, or until the Joint Venture Agreement is terminated as set forth therein.

- 3.2 As of the Effective Date, each of the following parties shall hold the issued and outstanding shares of OKYC in the following proportions:
- (a) KNOC: 29%
 - (b) CAO: 26%
 - (c) SK Energy: 11%
 - (d) GS Caltex: 11%
 - (e) Samsung: 10%
 - (f) Seoul Line: 8%
 - (g) LG: 5%

4. MISCELLANEOUS

- 4.1 The Proposed Subscription and Company's entry into the Joint Venture Agreement are not expected to have any material financial impact on the CAO group in terms of earnings per share or net tangible assets per share for the financial years 2011 and 2012. Save as disclosed, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Joint Venture Agreement.

By Order of the Board

Doreen Nah
Company Secretary
31 December 2011