

GROUP AT A GLANCE

SINGAPORE PETROLEUM COMPANY LIMITED

SPC's downstream business remained the main revenue generator. Steep crude and product prices coupled with tight global refining capacity throughout 2007 enabled the Group to realise average refining margins of about US\$7.00 per barrel, compared to US\$4.50 per barrel in 2006.

SRC operated safely and reliably throughout the year and achieved an average utilisation of more than 97%. SPC processed a total of 51.5 million barrels through the refinery. SRC will increase the production of ultra-low sulphur diesel of Euro-IV standard by 2009.

Innovation and partnerships continued to be SPC's competitive edge in the retail sector. Its most visible branding platform, the island-wide network of service stations was leveraged to benefit the motoring public. SPC is the first network to retail compressed natural gas on mainland Singapore in 2008. The marketing of its products was strengthened with investments in Indonesia and China.

SPC scored significant successes in the E&P business in 2007.

SPC entered two new E&P markets – Australia and China, and its oil and gas production grew to an average of 10,000 boepd. The E&P business contributed \$145.1 million in revenue and \$52.4 million in operating profit.

BUSINESSES



Exploration & Production

SPC's upstream activities include the exploration and production of crude oil and natural gas. Since 2000, it has grown its upstream to five countries in the Asia-Pacific region. SPC will continue to extend its footprint as it positions itself to become an international E&P player.



Refining, Supply & Trading

SPC is an established supplier of quality refined petroleum products. It has a 50% interest in SRC, a refinery of 290,000 bpd nameplate capacity. SPC is one of the first companies to be granted Approved Global Trader status. Its oil trading activities include the buying and selling of crudes, feedstocks and finished products to international customers.



Marketing

SPC markets petroleum products to commercial, industrial and wholesale customers. With a co-owned lubricant blending plant, SPC markets a wide range of automotive, industrial and marine lubricants. SPC owns an island-wide network of retail services stations, providing round-the-clock products and services to the motoring public.

VISION AND FOCUS

Propel future growth by strengthening SPC's E&P portfolio

- Venture to new frontiers and acquire high potential acreages
- Grow and enhance the value of existing assets

RESULTS

- Extended footprint to China and Australia
- Increased oil production from 2,600 boepd to 10,000 boepd

Enhance refining capabilities to keep pace with changing requirements

- Maintain reputation as a reliable supplier of quality products
- Operate all facilities safely and reliably

- Initiated ultra-low sulphur diesel production project
- Posted 1 million man-hours of 'no recordable injury'

Leverage established networks to strengthen brand image and value offerings

- Differentiate product offerings
- Build presence in niche markets

- Introduced first CNG in a service station
- Acquired stake in Indonesian fuels-marketing company