Petroplus Annual Report 2007

Financial Highlights

		2007	2006	2005 [1]
Selected Operating Data				
Revenue	in millions of USD	13,905.1	6,923.0	4,188.3
Gross margin	in millions of USD	1,165.8	546.4	211.0
Net income / (loss) from continuing operations	in millions of USD	310.4	74.1	(28.1)
Net income / (loss)	in millions of USD	303.3	443.6	(1.6)
Basic earnings per share	in USD	4.57	10.90	(0.09)
Diluted earnings per share	in USD	4.44	10.51	(0.09)
Number of employees	Number	1,827	925	1,018
Total throughput	in thousands of bpd [2]	384.8	201.0	159.7
Total production	in thousands of bpd [2]	391.0	202.1	159.7
Per barrel of total throughput:				
Gross margin				
Coryton	in USD	9.79	**	**
Ingolstadt	in USD	7.99	**	**
BRC	in USD	7.25	4.40	**
Cressier	in USD	6.97	4.83	6.22
Teesside	in USD	5.34	2.52	3.23
Operating expenses				
Coryton	in USD	4.99	**	**
Ingolstadt	in USD	3.35	**	**
BRC	in USD	2.60	2.20	**
Cressier	in USD	2.69	2.25	2.56
Teesside	in USD	1.34	1.36	1.05
Selected Balance Sheet Data				
Cash and short term deposits	in millions of USD	62.5	91.6	65.9
Current ratio [4]		1.3	1.6	1.0
Total working capital [5]	in millions of USD	832.2	648.4	(225.2)
Total assets	in millions of USD	7,466.8	3,014.8	2,452.2
Total debt	in millions of USD	1,333.1	-	555.3
Total equity	in millions of USD	2,501.5	1,555.1	29.8
Selected Share Data [3]				
(ISIN: CH0027752242; Symbol: PPHN)				
Issued shares at December 31,	Number	68,641,599	61,036,600	-
Nominal value	in CHF	9.18	9.18	-
Share price (high / low)	in CHF	133.00 / 70.00	79.90 / 66.90	-
Share price at December 31,	in CHF	87.70	74.00	-
Market capitalization at December 31,	in millions of CHF	6,020	4,517	-

[1] The income statement data for 2005 includes only nine months of operations due to the purchase of Petroplus International B.V. by RIVR Acquisition B.V. in March 2005.
[2] Barrels per day ("bpd")
[3] The shares of Petroplus Holdings AG were traded on the SWX Swiss Stock Exchange on November 30, 2006 for the first time.
[4] Current assets divided by current liabilities
[5] Current assets minus current liabilities
** Not relevant

Content

Letter to the Shareholders

To our shareholders,

Two thousand seven was Petroplus' first full year as a public company listed on the Swiss Stock Exchange. It was a year of great growth, where our capacity to process crude oil increased by 330,000 bpd (barrels per day) from a base of 295,000 bpd, giving us a total capacity of 625,000 bpd, which has made us the largest independent refiner in Europe.

On March 31, 2007, we acquired ExxonMobil's 110,000 bpd refinery located in Ingolstadt, Germany. This high conversion facility was a strong contributor to our financial results in 2007 and should be a valuable asset for many years to come.

On May 31, 2007, Petroplus acquired BP's UK refinery located at Coryton on the Thames River, about 40 kilometers from Central London. This 220,000 bpd refinery is the Company's largest and most complex asset. We expect this refinery to be a very strong contributor to our future results.

On August 2, 2007, Petroplus agreed to buy Shell's refineries at Petit Couronne and Reichstett in France. We expect to complete this purchase early in the second quarter of 2008. These facilities, with a total capacity of 239,000 bpd continue our growth trajectory and should add positive financial results from the first day we own them.

The Company considers safety and environmental excellence at the core of everything we do. Profit does not take precedence over running all our facilities with a goal of perfect environmental compliance and a perfect safety record. Anything less than this means we have to work harder every day on safety and the environment. This is an industry where perfection on these issues is elusive, as it has been for Petroplus. We're doing better, and intend to continue improving.

The financial status of the Company has seen a dramatic improvement over the past year. In April of 2007, we issued USD 1.2 billion in long term bonds at an average interest rate of 6 7/8%. We also sold 7.6 million common shares at CHF 100.00 per share. This program of debt and equity sales was used to finance our acquisitions and pay down borrowings on working capital facilities.

The Company had strong earnings of USD 4.57 per share. Our balance sheet provides us with the flexibility to run our business on a rational basis and to expand on a proper basis. The Company views a strong balance sheet as a 'must' in this capital-intensive industry and will do everything possible to improve its financial status. Given the Company's strong results in 2007, your Board has recommended approval of its first dividend of CHF 1.00 per share, payable through a reduction in nominal value, after approval by the shareholders. We hope to grow this dividend in future years.

The Company's compensation system rewards its employees based on earnings per share. You will not find Petroplus paying out bonuses to executives when the Company does poorly.

And now for the future.

Mr. Robert Lavinia joined the Company in early July of 2007 as our President. He is co-signing this letter as our new CEO effective March 1, 2008. A profile on Mr. Lavinia appears later in this report. He brings to Petroplus a maturity and industry knowledge that is unique. Mr. O'Malley will, at the Board's request, continue as Chairman for a minimum of an additional three years.

Effective March 1, 2008, Petroplus entered into a partnership which it will use to pursue growth opportunities in the United States. This partnership vehicle provides Petroplus with the opportunity to expand its venue for growth without the associated operating and financial risk of investment that generally come with refinery ownership. It is a strategic decision of which we expect to provide meaningful earnings contributions in future years.

2007 was a good year, and the future looks bright for our Company.

Finally, we want to thank our talented employees, our Board of Directors for their guidance and attention, and all of our customers and suppliers for their great service.

Kind regards,

Thomas D. O'Malley
(Chairman of the Board)

Robert. J. Lavinia
(Chief Executive Officer)

Petroplus at a Glance

Coryton Refinery

Key Facts	Major Units	Crude and Products	Highlights
> Acquired in May 2007 > Located in southeastern UK approximately 30 miles east of London on a 589-hectare site > 172,000 bpd total nameplate crude capacity and additional throughput capacity of up to 70,000 bpd of other feedstocks	Atmospheric Distillation Vacuum Distillation Fluid Catalytic Cracker Catalytic Reformer Naphtha Pretreaters Alkylation Product Hydrotreaters Isomerization Sulphur Recovery Propane De-asphalter Bitumen Production	> Processes a blend of light sweet crude oils, and sour crude oils. Additionally, the refinery processes a significant volume of other low-cost feedstocks, primarily high-sulfur straight run fuel oils > Distributes products primarily in southern UK	> Opportunities exist for both sweet vs. sour as well as light vs. heavy crude optimization > Maximizes the production of higher value middle distillates while decreasing the production of lower value fuel oils

Ingolstadt Refinery

Key Facts	Major Units	Crude and Products	Highlights
> Acquired in March 2007 > Located in Ingolstadt, Germany on a 128-hectare site > 110,000 bpd total throughput capacity	Atmospheric Distillation Vacuum Distillation Fluid Catalytic Cracker Catalytic Reformer Bitumen Plant Power Generation Product Hydrotreaters Isomerization Sulphur Recovery Hydrogen Plant	> Processes mainly crude oil from the Caspian Sea region, supplied via pipeline from Trieste > Distributes products primarily in the local Bavarian market	> Located in a niche inland market that provides for realized product premiums relative to products imported from outside the region

BRC Refinery

Key Facts	Major Units	Crude and Products	Highlights
> Acquired in May 2006 > Located in Antwerp, Belgium on a 105-hectare site > 110,000 bpd total throughput capacity	Atmospheric Distillation Vacuum Distillation Visbreaker Catalytic Reformer Product Hydrotreaters Isomerization (TIP) Sulphur Recovery Liquefied Petroleum Gas ("LPG")	> Processes predominantly medium sour crude oil and other low-cost feedstocks, primarily high-sulfur straight run fuel oils > Distributes products primarily in the Antwerp-Rotterdam-Amsterdam ("ARA") region	> Significant production cost benefits are realized as a result of processing low-cost crude oils and discounted feedstocks > As part of the North Sea System, BRC provides additional midstream processing and conversion capability

Cressier Refinery

Key Facts	Major Units	Crude and Products	Highlights
> Acquired in 2000 > Located in Cressier, Switzerland on a 74-hectare site > 68,000 bpd total throughput capacity	Atmospheric Distillation Vacuum Distillation Thermal Cracker Visbreaker Catalytic Reformer Product Hydrotreaters Isomerization (TIP) Sulphur Recovery LPG	> Processes a mix of light sweet crude oils, and light sour crude oils, supplied via pipeline from Fos-sur-Mer in the Mediterranean > Distributes products primarily in the local Swiss market	> Located in the niche inland market of Switzerland > Significant product premiums realized based upon the Rhine Freight Premium for products imported from the ARA region

Key Facts	Major Units	Crude and Products	Highlights

Teesside Refinery

Key Facts	Major Units	Crude and Products	Highlights
> Acquired in 2000 > Located in Teesside, United Kingdom on a 40-hectare site > 117,000 bpd total throughput capacity	Atmospheric Distillation Product Hydrotreater Sulphur Recovery	> Processes light sweet crude oil supplied via direct pipeline connection to the North Sea Ekofisk crude oil fields > Large supplier of diesel fuel to the UK market	> Produces middle distillates which are predominately sold into a niche inland market that provides for realized product premiums relative to products imported from outside the region > All Inland diesel is supplied as blended biodiesel

Petit Couronne Refinery (Pending Acquisition)

Key Facts	Major Units	Crude and Products	Highlights
> Expected acquisition in second quarter of 2008 > Located in Grand Couronne, France approximately 130 km Northwest of Paris on a 225-hectare site > 154,000 bpd total throughput capacity	Atmospheric Distillation Vacuum Distillation Fluid Catalytic Cracker Catalytic Reformer Visbreaker Product Hydrotreaters Sulfur Recovery	> Processes a blend of crude oils, predominantly medium sour and heavy sweet crude oil varieties > Distributes products primarily in the local markets, including Paris	> Favorably located in the regional market surrounding Paris > Flexibility to run as a lubes or traditional fuels refinery

Reichstett Vendenheim Refinery (Pending Acquisition)

Key Facts	Major Units	Crude and Products	Highlights
> Expected acquisition in second quarter of 2008 > Located in Reichstett, France near Strasbourg in the Alsace region close to the German border on a 650-hectare site > 85,000 bpd total throughput capacity	Atmospheric Distillation Vacuum Distillation Fluid Catalytic Cracker Catalytic Reformer Product Hydrotreaters Sulfur Recovery	> Processes a blend of crude oils, including heavy and light sweet, and light and medium sour crude oil varieties > Distributes products primarily in the local markets, including Strasbourg	> Located in a inland market that provides for higher realized product premiums relative to products imported from outside the region

Antwerp Processing Facility

Key Facts	Major Units	Crude and Products	Highlights
> Acquired in 1997 > Located in Antwerp, Belgium	Atmospheric Distillation Vacuum Distillation Gasoil Hydrotreaters Bitumen Plant Storage tank rentals	> Processes a blend of heavy crude oils, primarily Venezuelan, and gasoils > Distributes products primarily in the ARA region	> Provides additional gasoil hydrotreating capability for midstream feedstocks sourced from other locations within the North Sea System

The Petroplus Company

Petroplus Holdings AG ("Petroplus", the "Company", "we", "our" or "us") is the largest independent refiner and wholesaler of petroleum products in Northwest Europe. Petroplus focuses on refining and currently owns and operates five refineries across Europe: the Coryton refinery on the Thames Estuary in the United Kingdom, the Ingolstadt refinery in Ingolstadt, Germany, the Belgium Refining Company ("BRC") refinery in Antwerp, Belgium, the Cressier refinery in Cressier, Switzerland, and the Teesside refinery in Teesside, United Kingdom. Petroplus also owns and operates a processing and storage facility in Antwerp, Belgium. The refineries have a combined total throughput capacity of approximately 625,000 bpd. Petroplus has signed a letter of intent to acquire the Petit Couronne and Reichstett refineries, both located in France, from Shell International Petroleum Company Limited. The French refineries have a total nameplate capacity of 239,000 barrels per day. We sell our refined petroleum products on an unbranded basis to distributors and end customers, primarily in the United Kingdom, Germany, Switzerland, and the Benelux countries as on the spot market.

Our supply and distribution group, which is centrally based in Zug, Switzerland, is responsible for all physical supply and commercial optimization activities for our refineries. The group's primary goal is to optimize both the supply of crude oil and feedstocks for each refinery and the off-take of each refinery's petroleum products. This group is also responsible for managing our commodity price exposures. We source our crude oil on a global basis through a combination of spot-market purchases and short-term purchase contracts. We believe purchasing based on spot market pricing has given us flexibility in obtaining crude oil at lower prices and on a more accurate "as needed" basis. Since our Coryton, Ingolstadt, BRC and Cressier refineries have access, either directly or through pipeline connections to deepwater terminals, we have the flexibility to purchase our crude oil from a number of different countries. In addition, our Teesside refinery is connected by a two-kilometer-long pipeline to the end terminal of the Ekofisk crude oil pipeline. This provides us with a cost advantage as it allows the refinery to receive Ekofisk crude oil at the refinery with minimal transportation costs.

Highly refined petroleum products, known as light products, including diesel fuel, gasoline, jet fuel and home heating oil amongst others, accounted for approximately 80% of our total product volume for the year ended December 31, 2007.

Our History

Petroplus International B.V. ("PPI"), Netherlands was founded in 1993. In 1998, the Company was listed on the Amsterdam Stock Exchange.

March / April 2005 PPI is acquired and taken private by the newly formed RIVR Acquisition B.V. ("RIVR") and is subsequently delisted from Euronext Amsterdam.

February 2006 Argus Atlantic Energy Ltd. ("Argus") is incorporated in Bermuda.

May 2006 We recruited a new management team, including Thomas D. O'Malley as our Chairman and Chief Executive Officer.

We acquired European Petroleum Holdings N.V. ("EPH"), the holding company of the BRC refinery in Antwerp, Belgium, and related supply and distribution assets from Sovereign Holding Limited (Bermuda).

July 2006 We entered into an agreement with ExxonMobil Central Europe Holding GmbH ("Exxon") to purchase the Ingolstadt refinery in Germany.

August 2006 We sold Petroplus Tankstorage, a tank storage business; Frisol/Bunkering, a wholesale bunkering and trading business; Oxyde Chemical, a chemicals and plastics trading and distribution business; negotiated to sell 4Gas, a liquefied natural gas import terminal and marketing business; and other non-core assets.

Argus and RIVR merged and the combined entity is re -located to Switzerland and renamed Petroplus Holdings AG.

November 2006 On November 30, 2006, the shares of Petroplus Holdings AG traded on the SWX Swiss Exchange for the first time.

February 2007 We entered into an agreement with BP PLC to purchase the Coryton refinery in the United Kingdom.

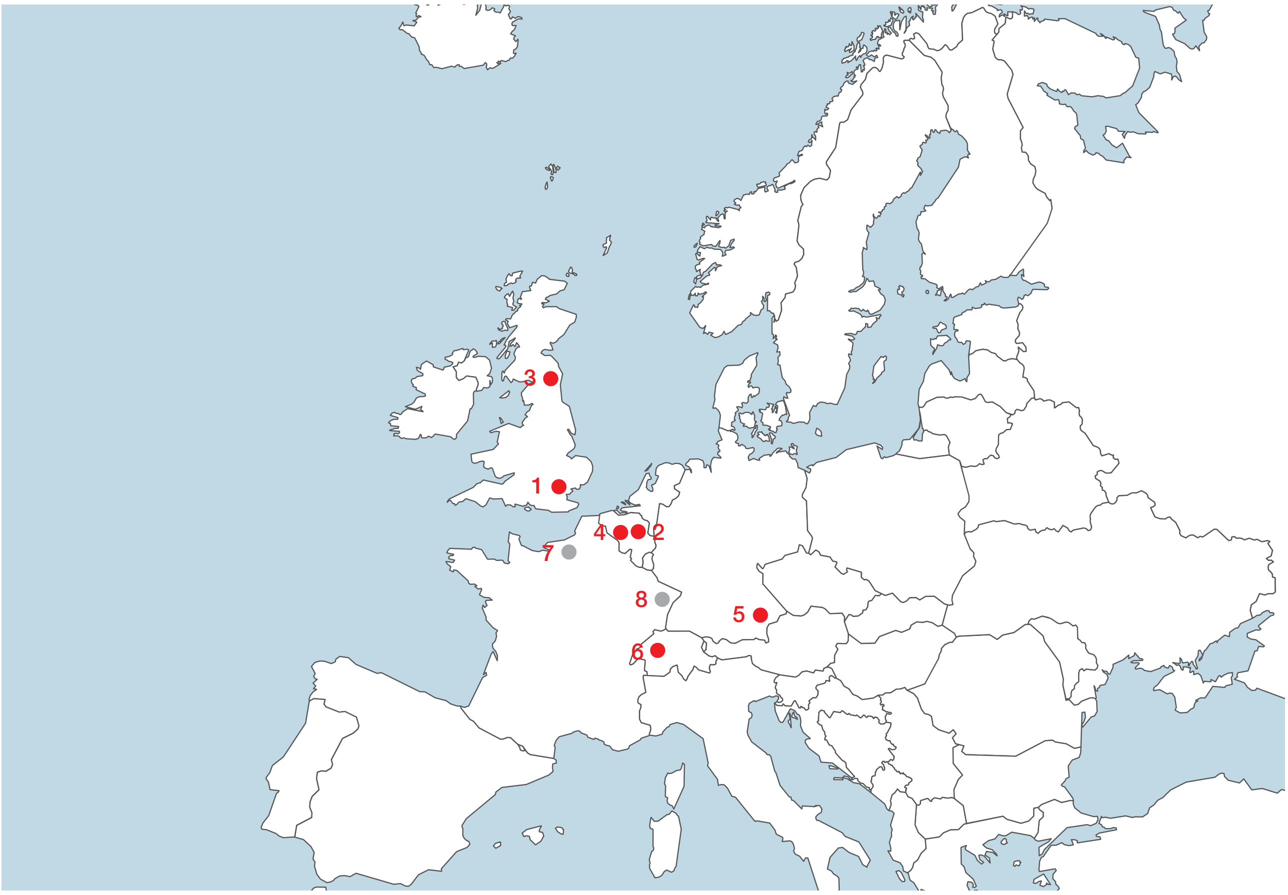
March 2007 We acquired the Ingolstadt refinery and selected wholesale assets from Exxon.

April 2007 We issued 7.6 million new shares through a Rights Offering and subsequent International Offering. We also issued USD 1.2 billion in high yield corporate bonds.

May 2007 We acquired the Coryton refinery from BP PLC.

August 2007 We signed a letter of intent with Shell International Petroleum Company Limited to purchase the Petit Couronne and Reichstett refineries in France.

Petroplus: "Pure Play" Multi-Site Refiner



North Sea System

1 Coryton

Capacity:	172,000 bpd
Other Input:	70,000 bpd
Commissioned:	1953
Acquired:	2007

2 BRC

Capacity:	110,000 bpd
Commissioned:	1968
Acquired:	2006

3 Teesside

Capacity:	117,000 bpd
Commissioned:	1966
Acquired:	2000

4 Antwerp Processing Facility

Acquired:	1997

Inland Market System

5 Ingolstadt

Capacity:	110,000 bpd
Commissioned:	1963
Acquired:	2007

6 Cressier

Capacity:	68,000 bpd
Commissioned:	1966
Acquired:	2000

7 Petit Couronne (Pending)[1)]

Capacity:	154,000 bpd
Commissioned:	1929
Acquired:	2008

8 Reichstett (Pending)[1)]

Capacity:	85,000 bpd
Commissioned:	1963
Acquired:	2008

[1)] Anticipated early second quarter 2008

Oil Refining Operations

We currently own and operate five refineries across Europe: the Coryton refinery located on the Thames Estuary in the United Kingdom, the Ingolstadt refinery in Ingolstadt, Germany, the BRC refinery in Antwerp, Belgium, the Cressier refinery in Cressier, Switzerland, and the Teesside refinery in Teesside, United Kingdom. In addition, we also own and operate a processing facility in Antwerp, Belgium.

The aggregate crude oil and other feedstock throughput capacity at our five refineries is approximately 625,000 bpd. The following table provides a summary of crude capacity, throughput and production data for our refineries, for the year ended December 31, 2007:

	Total	Coryton [3]	Ingolstadt [2]	BRC	Cressier	Teesside
Throughput Capacity (in bpd)	**625,000**	**220,000**	**110,000**	**110,000**	**68,000**	**117,000**
Crude Unit Throughput						
Light sweet	51%	65%	11%	4%	56%	100%
Medium sweet	3%	-	13%	-	4%	-
Light sour	16%	-	62%	-	36%	-
Medium sour	13%	3%	3%	59%	1%	-
Heavy sour	5%	1%	8%	19%	-	-
Total Crude Unit Throughput	**88%**	**69%**	**97%**	**82%**	**97%**	**100%**
Other throughput	12%	31%	3%	18%	3%	0%
Total Throughput	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Production (in % of total throughput)						
Light Products						
Gasoline	21%	42%	28%	10%	25%	-
Diesels and gasoils [1]	42%	28%	43%	64%	44%	33%
Jet fuel	5%	10%	3%	-	7%	5%
Petrochemicals	1%	2%	2%	-	1%	-
Naphtha	7%	-	7%	0%	-	26%
LPG	4%	1%	10%	6%	6%	-
Total Light Products	**80%**	**83%**	**93%**	**80%**	**83%**	**64%**
Low sulfur straight run	8%	-	-	-	-	35%
Fuel oil	10%	15%	6%	16%	14%	-
Solid by-products / fuel consumed in process / fuel loss	4%	5%	5%	4%	4%	1%
Total Production	**102%**	**103%**	**104%**	**100%**	**101%**	**100%**

[1] Includes vacuum gasoil ("VGO") produced at the BRC refinery.
[2] The information included above for the Ingolstadt refinery represents the nine months of operations since the Company‚s March 2007 acquisition of the Ingolstadt refinery.
[3] The information included above for the Coryton refinery represents the seven months of operations since the Company‚s May 2007 acquisition of the Coryton refinery.

The Coryton Refinery

We acquired the Coryton refinery, and related supply and distribution assets, on May 31, 2007 from BP PLC. The refinery is located in southeastern United Kingdom. The purchase price was USD 1.6 billion, including the value of net working capital and fees.

Refinery Overview

The Coryton refinery is located on a 589-hectare site located about 30 miles east of London on the Thames estuary in the United Kingdom. The Coryton refinery has a total crude oil throughput capacity of approximately 172,000 barrels per day and up to an additional 70,000 barrels per day of other feedstocks. Full capacity of crude reduces capacity of other feedstock throughput by 20,000 bpd and vice versa. The refinery was originally constructed in 1953 by the Vacuum Oil Company, a subsidiary of Mobil.

The refinery has five operational jetties for the supply by sea of all crude and feedstocks. It supplies the majority of its fuel products to major customers in the southeast of the UK by a combination of road truck deliveries (from the adjacent bulk terminal) and oil product pipelines. The refinery also ships other products by sea (Fuel Oil and Propylene) to European markets and bitumen by road and rail.

Main Process Units

The following table sets forth the main process units of the Coryton refinery, their current capacities, start-up years and years of their most recent major modification:

Main Process Units	Units	Current Capacity [1]	Start Up Year	Modification
Atmospheric Distillation	1	172,000	1963	-
Vacuum Distillation	2	39,000	1969	2006
		62,000	1982	-
Diesel Hydrotreater	1	53,000	1969	2003
Continuous Catalytic Reformer	1	38,000	1989	-
Isomerization Penex	1	20,000	1993	-
Isomerization C4	1	32,000	1982	-
Propane Deasphalter	1	6,000	1969	-
Fluid Catalytic Cracking Unit	1	63,000	1982	2005
FCC Gasoline Hydrotreater (SHU / SHDS)	1	28,000	2003	-
HF Alkylation	1	20,000	1982	1993
Sulfur Recovery Unit (tons stream per day)	2	100	1982	2005
Bitumen (tons stream per day)	1	3,000	1969	-

[1] Barrels per day, except as indicated.

Feedstocks and Supply Arrangements

Crude is supplied from the Mediterranean, Baltic, North Africa as well as the North Sea. Historically Coryton processed specific Arab Gulf crudes to meet the requirements of the Lube Plant. The closure of the Lube processing units in 2005 has allowed Coryton greater flexibility in crude supply and in the optimization of crude and feedstock. Coryton's crude unit allows for the processing of blends of crudes and has twin feed trains with the ability to segregate the atmospheric residues from these two crude feeds (by means of a split base within the single crude tower shell). Opportunities exist for both sweet vs. sour optimization as well as light vs. heavy crude optimization. This includes some processing of condensates.

Product Off-take

Coryton owns one of the largest road loading terminals in Europe. The refinery is connected to the United Kingdom Oil Pipeline ("UKOP"), a multi-product pipeline operated on behalf of its shareholders by British Pipelines Agency ("BPA") which runs from the Thames up to the Midlands region. This pipeline feeds terminals at Buncefield (North London), Northampton and Kingsbury (Birmingham) as well as being a key supply route for aviation fuel into Heathrow Airport. Coryton is also connected to Government Pipelines and Storage System ("GPSS"), a government-owned pipeline system operated by Oil & Pipelines Agency ("OPA") which is dedicated to jet fuel. This pipeline has traditionally supplied fuel to service Air BP customers and third party demand at Stansted Airport and the military airbases of East Anglia.

As part of the purchase agreement, product off-take agreements exist with BP that accounted for approximately 90% of gasoline production, 100% of jet fuel production, 100% of ULSD production and 100% of gasoil production in 2007. However, in 2007 we purchased products as a result of the incident which occurred at the Coryton refinery on October 31, 2007 which skewed these average levels. This agreement lasts approximately five years; the percentage of products purchased by BP will decrease yearly.

Energy and Other Utilities

The Coryton refinery has an electrical demand between 45 and 50 megawatts. There is one gas turbine generator that produces about 25 megawatts of electricity. In addition, there are four steam turbine generators that are able to produce about 10 megawatts of electrical power in total. The refinery buys about 10–15 megawatts via the utility grid. The refinery's steam requirements are met by a combination of three steam boilers plus additional steam generation from certain process units. All hydrogen needs are supplied by onsite production at the continuous catalytic reformer.

Tankage Capacity

Tankage at the refinery is approximately 9.5 million barrels; 3.9 million barrels dedicated to crude and other feedstock storage and approximately 4.0 million barrels to intermediate and finished products. In addition to this, Coryton also has tankage at the Bulk Terminal with a capacity of 1.6 million barrels.

The Ingolstadt Refinery

We acquired the Ingolstadt refinery and related assets on March 31, 2007 from Exxon. The purchase price was USD 694.8 million, including the value of net working capital and fees.

Refinery Overview

The Ingolstadt refinery is located on a site covering approximately 128 hectares in Ingolstadt, Germany, approximately 80 kilometers north of Munich. The Ingolstadt refinery has a total throughput capacity of approximately 110,000 bpd. ExxonMobil CE commissioned the Ingolstadt refinery in 1963 as a hydro-skimming refinery to provide motor fuels for the growing industrial base of southern Germany. In 1969 a Fluid Catalytic Cracking ("FCC") unit was added and the refinery became a "cracking" refinery.

According to information provided by Exxon, approximately USD 111 million was spent from 2000 to 2005 on improving the Ingolstadt refinery. From 2000 to 2003, the refinery was modified by installing a hydrogen plant, a cracked naphtha splitter and other improvements to, among other things, reduce fuel sulfur content to meet German product standards for gasoline and ultra low sulfur diesel ("ULSD"), which were implemented in advance of the 2009 deadline for the European Auto Oil II standards. In addition, the refinery's wastewater treatment plant was upgraded in 2000 and 2001.

The Ingolstadt refinery has large conversion capacity with its 29,000-bpd FCC unit. Hydrogen is provided via the refinery's reformer and hydrogen plant. The following table sets forth the main process units of the Ingolstadt refinery, their current capacities, start-up years and years of their most recent major modification:

Main Process Units	Units	Current Capacity [1)]	Start Up Year	Modification
Atmospheric / Vacuum Distillation	2	110,000	1963	-
Diesel Hydrotreater	2	28,700	1977	2007
Heating Oil Hydrotreater	1	19,600	1991	-
Catalytic Reformer	1	19,600	1963	-
Isomerization	1	7,550	1991	-
Fluid Catalytic Cracking Unit	1	29,000	1969	2005
Sulfur Recovery Unit (tons per stream day)	1	70	1963	1983
Hydrogen Plant (tons per stream day)	1	27	2003	-
Naphtha Hydrotreater	1	37,700	1963	-
Kerosene Hydrotreater	1	20,400	1963	-

[1)] Barrels per day, except as indicated.

Feedstocks and Supply Arrangements

The Ingolstadt refinery can process a range of sweet crude oils. On average the refinery processes 87% crude from the Caspian Sea region. The refinery also processes medium as well as Syrian Heavy crude oils to produce bitumen along with other lighter products, generally during the road-paving season in Germany and Austria.

All crude is delivered to the Ingolstadt refinery directly from the port city of Trieste, Italy, via the 465-kilometer long portion of the TAL pipeline system.

Product Off-take

The Ingolstadt refinery's product slate is focused primarily on the production of higher value middle distillates, including diesel, gasoil and jet fuel, and, to a lesser extent, various grades of gasoline.

Of the Ingolstadt refinery's total production, approximately 95% (by volume) is currently sold in Germany and Austria, with the remaining 5% being exported, primarily to the Antwerp-Rotterdam-Amsterdam ("ARA") region. With its location in a high-demand local market, the Ingolstadt refinery is able to achieve product premiums to ARA reference prices for gasoline, jet fuel and distillates.

Approximately one half of the refinery's total production is delivered to customers by rail; the other half by truck. The refinery's railcar-loading facilities comprise three racks having a capacity of 27.8 million barrels per year. The refinery's truck-loading facilities comprise 17 loading racks with the capacity to load up to 10.5 million barrels of gasoline per year, 11.3 million barrels of distillates per year, 2.3 million barrels of LPG per year and 4.4 million barrels of asphalt and heavy fuel oil per year. In addition, a fuel oil pipeline allows the refinery to supply fuel oil to a nearby E.ON power station.

In connection with the acquisition of Ingolstadt, we entered into a five year off-take agreement with ESSO Deutschland GmbH ("Esso") in Bavaria for substantial amounts of gasoline and diesel fuel and to supply Esso with substantial amounts of jet fuel. This agreement accounted for approximately 68% of the Ingolstadt refinery's gasoline production, 61% of its diesel fuel production and 88% of its jet fuel production in 2007. The off-take agreement terminates on December 31, 2011. However, Esso may terminate the agreement earlier, with 180 days notice, as to all the products covered by the agreement except jet fuel, if Esso is no longer selling such products through its retail chain. Other products are included in the off-take agreement.

The Ingolstadt refinery's production of heating oil is sold on the spot market via branded and unbranded resellers. Petroplus Bayern, which we acquired in connection with the acquisition, operates as a branded reseller. It sells a substantial part of its heating oil to more than 64,000 households and small industrial and agricultural customers.

The Ingolstadt refinery's production of liquid petroleum gases, heavy fuel oil and bitumen is mainly sold directly to end consumers in and around Bavaria. The remainder is sold to resellers or exported to Eastern Europe or the ARA region.

Energy and Other Utilities

The Ingolstadt refinery's average electricity consumption is 220 GWh per year, and its average power demand is approximately 25 megawatts. The Ingolstadt refinery is able to generate most of its electricity requirements as well as all of its steam requirements from refinery fuel gas. The refinery has two turbines with a maximum gross electrical output of 7.5 megawatts and one let-down turbine with an output of 11 megawatts. In addition, the refinery purchases energy to meet its remaining electricity needs and can import up to 15 megawatts of electricity from a local electric provider. The refinery also has a FCC unit carbon monoxide boiler and two fired boilers for steam production. Hydrogen is produced at the onsite hydrogen plant; this production supplements other onsite sources and meets all of the refineries hydrogen requirements.

Tankage Capacity

The Ingolstadt refinery has 94 tanks with storage capacity of approximately 6.9 million barrels.

The BRC Refinery

We acquired EPH, the holding company for the BRC refinery and related supply and distribution assets, from Sovereign Holding Limited (Bermuda) on May 31, 2006. The purchase price was USD 511.2 million, including net working capital and fees. The BRC refinery was originally commissioned in 1968 and has a crude oil throughput capacity of 110,000 bpd. The refinery is an atmospheric / vacuum distillation refinery with visbreaking.

The BRC refinery is located north of the Port of Antwerp at the center of the ARA region on a 105-hectare site. The refinery's location provides it with several competitive advantages, including access to feedstocks that can be purchased on a spot basis at prices at or below prevailing market benchmark prices and the ability to transport feedstocks and products by sea, including to North America. The refinery's location also gives it close proximity to intermediate and finished product markets in a densely populated region with a heavy industrial presence as well as to a number of other refineries in the Antwerp area, ensuring an ample supply of technical expertise.

One of the key strengths of the BRC refinery is its extensive hydro-desulfurization capacity that enables the refinery to process a predominantly sour crude slate to produce low-sulfur, light products, including gasoline, naphtha, ULSD, heating oil and vacuum gasoil. The refinery's low-sulfur products meet the European Union ("EU") 2009 mandatory maximum sulfur limit of 10 parts per million ("ppm") for gasoline and diesel. The low-sulfur and low-aromatic qualities of the refinery's gasoline components make them highly marketable in both the Northwest European and U.S. markets.

Since acquiring the BRC refinery, we have continued to implement the refinery's on-going improvement plan. The former owner of the BRC refinery invested approximately USD 124.9 million from 2000 through 2005 in improving the refinery, including a product tank farm refurbishment program, instrumentation modernization and construction of an isomerization unit, which became operational in June 2005. The tank farm refurbishment program is one of the conditions agreed with the Belgian authorities in 2001 in connection with the renewal of the refinery's operating permit, which will be up for renewal in 2021. We expect to complete the tank farm refurbishment program in 2009.

Additionally, during the 2007 scheduled maintenance shutdown the vacuum distillation unit improvement project was completed. The project improved the yield of VGO and heating oil by 3,100 bpd.

Main Process Units

The following table sets forth the main process units of the BRC refinery, current capacities, start-up years and timing of most recent major upgrade modification:

Main Process Units	Units	Current Capacity [1)]	Start Up Year	Modification
Atmospheric Distillation	1	110,000	1968	2000
Vacuum Distillation	1	59,000	1973	2007
Naphtha Hydrotreater	1	26,500	1968	-
Catalytic Reformer	1	10,200	1968	1999
Isomerization (TIP)	1	4,300	2005	-
Distillate Hydrotreater	1	35,500	1975	1993
Visbreaker	1	24,200	1986	2000
Sulfur Recovery Unit (tons per stream day)	1	108	1980	-
LPG Recovery Unit	1	4,400	1968	-

[1)] Barrels per day, except as indicated.

Feedstocks and Supply Arrangements

The BRC refinery processes predominantly higher sulfur crude oils and high-sulfur straight-run fuels and supplements these feedstocks with a variety of other feed and blendstocks purchased on the spot market to optimize its gross refining margins.

The BRC refinery's feedstocks are shipped primarily from Baltic Sea ports. At the southern jetty, incoming ships holding up to 115,000 tons can be handled at unloading rates of 37,700 barrels (6,000 cubic meters) per hour. Feedstocks are stored in the refinery's nine crude tanks with a combined capacity of 2 million barrels (325,000 cubic meters).

Product Off-take

BRC's products are sold to a variety of customers, including oil majors, petrochemical companies, and wholesalers. The BRC refinery uses two jetties for loading products. The Northern Jetty is equipped with six barge loading spots capable of loading different products simultaneously at average loadings rates of 3,770 barrels (600 cubic meters) per hour and one vessel loading spot capable of handling ships with up to 30,000 tons at loading speeds up to 11,000 barrels (1,800 cubic meters) per hour. On the Southern Jetty, cargoes up to 80,000 tons are handled at loading speeds up to 11,000 barrels (1,800 cubic meters) per hour. An 18-bay truck loading rack is used for product deliveries over the road. The refinery's 86 crude and product storage tanks have a combined capacity of 7.3 million barrels (1.2 million cubic meters).

The bulk of the BRC refinery's products are sold on a F.O.B. basis, with about 70% of the total products being loaded on barges to take advantage of the higher prices generated from local sales in the ARA inland market. For F.O.B. sales, the purchaser bears transportation and insurance costs. Some of the refinery's products are sold on a discharge delivered basis, for example, into the United States.

The BRC refinery's finished gasoline and gasoline blend components are primarily sold in barge lots. The high quality and low sulfur content of the refinery's gasoline components allows premium grades of gasoline to be blended at the refinery. Since 2005, the refinery has been selling 165,000 barrel cargo lots of gasoline and reformulated gasoline blendstock for oxygenate blending ("RBOB") to North America.

A large proportion of the refinery's middle distillates is ULSD, with the majority of this product selling in the local ARA market. Heating oil is either sold locally or exported depending on the best economic outlet.

In addition to being a major supplier of VGO within northwest Europe, the BRC refinery exports cargo lots of VGO to East or Gulf Coast refineries in the United States to be used as FCC or hydrocracker feedstock.

The majority of BRC's heavy residual fuels is sold to supply marine bunkering companies in the Antwerp harbor, one of the busiest ports in Europe.

Energy and Other Utilities
The BRC refinery's average electricity consumption is 123 GWh per year, and its average power demand is between 12.5 and 15 megawatts. Electricity is supplied to the BRC refinery under a one-year contract with Electrabel, a major provider of electricity in Antwerp. Steam for the refinery is produced by two onsite boilers. The refinery purchases hydrogen from Air Liquide to supplement its on-site production.

The Cressier Refinery

We acquired the Cressier refinery and related assets in May 2000 from Shell Switzerland. The Cressier refinery was originally commissioned by Shell in 1966 and has a crude oil throughput capacity of 68,000 bpd. The Cressier refinery is an integrated atmospheric-vacuum distillation, visbreaking and thermal cracking refinery.

The Cressier refinery is located on a 74-hectare site in the canton of Neuchâtel in the western part of Switzerland and is one of only two refineries in Switzerland. During 2007, the Cressier refinery's production accounted for approximately 25% (by volume) of all refined product sales in Switzerland. Of Switzerland's total demand for refined products, 60.5% was imported in 2007, principally by rail and by barge on the River Rhine ("Rhine"). During times of very high or very low water levels, or high demand for refined products along the Rhine, transportation costs can increase significantly. As a consequence of these transportation costs, the Cressier refinery benefits from a built-in margin premium relative to Rotterdam and German refineries competing to supply the Swiss market, primarily due to its niche inland location.

Another strength of the Cressier refinery is the ability of its thermal cracker and visbreaking units to upgrade heavy VGOs and heavy fuel oil to higher value clean products, such as ULSD and the home heating oil. The refinery's production of gasoline and diesel meets the EU 2009 and Swiss mandatory 10 ppm sulfur limit for gasoline and diesel, and home heating oil meets 1000 ppm sulfur standards.

Through the startup at the end of 2004 of an on-site hydrogen facility operated by Air Products Chemicals, Inc. ("Air Products") the refinery meets the specification requirements under the European Commission's Oil II Program. This facility has also improved the refinery's operational reliability by removing the need for the refinery's other operations to produce hydrogen for the desulfurization units and has increased the refinery's flexibility in the supply of feedstocks.

Main Process Units

The following table sets forth the main process units of the Cressier refinery, their current capacities, start-up years and years of their most recent major modification:

Main Process Units	Units	Current Capacity [1)]	Start Up Year	Modification
Atmospheric Distillation	1	68,000	1966	2007
Vacuum Distillation	1	37,000	1966	2007
Thermal Cracker	1	12,100	1966	2005
Visbreaker	1	10,800	1966	2005
Catalytic Reformer	1	16,400	1966	1986
Naphtha Hydrotreating	1	27,700	1966	2005
Kerosene Hydrotreating	1	9,400	1966	2001
Gasoil Hydrotreating	1	29,800	1993	-
Isomerization	1	7,500	1976	1996
Sulfur Recovery (tons per stream day)	1	25	1966	1988
LPG Unit	1	4,400	1966	1984

[1)] Barrels per day, except as indicated.

Feedstocks and Supply Arrangements

The Cressier refinery is able to process sweet crude oil and a smaller amount of sour crude oils. We currently source the Cressier refinery's crude oils through spot market purchases and, to a lesser extent, short-term purchase contracts.

Crude for the Cressier refinery is shipped to Fos-sur-Mer in southern France and transported first by the Société du Pipeline Sud-Européen ("SPSE") pipeline to the Gennes depot in France, and then by the Société Française du Pipeline du Jura ("SFPLJ") and Oléoduc du Jura Neuchâtelois S.A. ("OJNSA") pipelines to the Cressier refinery. We own 100% of the equity of the SFPLJ pipeline (from our connection with the SPSE pipeline to the French-Swiss border) and 80% of the equity of the OJNSA pipeline (from the Swiss-French border to the Cressier refinery). Our right to use the SPSE pipeline is governed by a 25-year throughput agreement with SPSE. We have also entered into agreements with third parties to obtain operational and maintenance services for the SFPLJ and OJNSA pipelines. These service agreements are generally terminable on 12-months' notice.

The Cressier refinery's aggregate crude storage capacity is 2.1 million barrels (326,000 cubic meters), or approximately 31-days' supply. The refinery's on-site crude storage tanks have a capacity of 480,000 barrels (76,000 cubic meters). The Gennes depot has a capacity of 630,000 barrels (100,000 cubic meters). In addition, the refinery has been allocated 945,000 barrels (150,000 cubic meters) of storage capacity at the SPSE terminal in Fos-sur-Mer.

Product Off-take

We typically sell the majority of the Cressier refinery's annual production to oil majors, resellers, industrial customers and retail petrol stations. The majority of the refinery's gasoline is sold pursuant to term contracts, with a duration less than one year, with the remainder being sold on a spot market basis.

The Cressier refinery has a twelve bay truck-loading rack and eight railcar-loading positions for loading of products for delivery to customers. The refinery also has four product depots, located in: Birsfelden, which supplies the northern Swiss region, including Basel; a 32% ownership interest in a Geneva depot that supplies the southwestern Swiss region; Niederhasli, which supplies the northern Swiss region around Zurich; and Rothenburg, which supplies the central Swiss region around Lucerne. The Birsfelden depot also has barge-loading facilities for shipments to and from the ARA region with storage capacity of 630,000 barrels (100,000 cubic meters).

The Cressier refinery's 80 on-site product storage tanks have a combined capacity of 2.7 million barrels (431,000 cubic meters).

Cressier's gasoline and middle distillates are sold primarily in Switzerland where customers lift these products at the refinery's gates or depots by truck or have them supplied into their depots by train. Heavy distillates are sold in the surrounding regions with industrial users in Switzerland and France supplied via trucks or trains, while industrial customers in Germany and the Benelux countries are supplied by barges or trains.

Energy and Other Utilities

The Cressier refinery's electricity requirements are supplied under a three-year contract with Groupe E, a major provider of electricity in western Switzerland. The refinery's average electricity consumption is 120 GWh per year, and its average power demand is approximately 16 megawatts.

Hydrogen is supplied to the Cressier refinery under a 15- year contract with Air Products. Air Products owns and operates, on property leased from us, a seven kiloton per- year hydrogen manufacturing unit. Under that contract, we provide Air Products with butane feedstock and utilities, and Air Products delivers hydrogen and steam to the refinery.

Additional steam for the Cressier refinery is produced on-site by three boilers fired with fuel gas, two waste heat boilers and Air Products (as discussed above).

The Teesside Refinery

We acquired the Teesside Refinery in December 2000. The refinery was originally commissioned by Phillips Imperial Petroleum Ltd. in 1966 and has a total throughput capacity of 117,000 bpd. The refinery is an atmospheric distillation refinery with distillate hydrotreating.

The Teesside refinery is located on a 40-hectare site on the northeastern coast of England. Its direct pipeline access to the Ekofisk offshore oilfields and its Ekofisk crude-processing capabilities give the refinery a cost advantage over other similar European refineries by virtue of its inherent transportation cost savings. In addition, the Teesside refinery's coastal location provides it with the ability to export products by vessel.

The Teesside refinery is a major producer of ULSD for the UK commercial diesel market. A key strength of the refinery is its ability to produce low-sulfur diesel which meets the EU 2009 mandatory maximum 10 ppm sulfur limit for road fuels. Through agreements with bio-diesel producers, the Teesside refinery is currently one of the major suppliers of bio-diesel blend, branded as Bioplus, a 95%–5% blend of mineral oil diesel with methyl ester derived from renewable sources such as rapeseed, soya or used cooking oil.

Since acquiring the Teesside refinery, we have completed a number of upgrades and operational improvements at the refinery. More recently, in 2007 we commissioned a dedicated A1 Jet Kerosene storage and truck loading system capable of exporting up to 110 kilotons per year.

Main Process Units

The following table sets forth the main process units of the Teesside refinery, their current capacities, start-up years and years of their most recent major modification:

Main Process Units	Units	Current Capacity [1)]	Start Up Year	Modification
Atmospheric Distillation	1	117,000	1966	1996
Gasoil Hydrotreating	1	32,000	1992	2004
Sulfur Recovery (tons per stream day)	1	4	1997	-

[1)] Barrels per day, except as indicated.

Feedstocks and Supply Arrangements

The Teesside refinery has historically processed light, sweet North Sea Ekofisk crude oil. The refinery receives most of its feedstock via a two-kilometer-long pipeline, which is owned and operated by us, from the nearby Seal Sands terminal, which is directly linked to the Ekofisk field by a ConocoPhilips pipeline. In addition to Ekofisk crude oil, the refinery also processes a small amount of additional feedstock blended with the crude oil. We currently source North Sea feedstocks for the Teesside refinery on a spot basis.

The aggregate storage capacity for the Teesside refinery's crude is 2.5 million barrels (394,000 cubic meters), or approximately 21-days' supply. Crude is stored in the underground salt caverns at the adjacent Saudi Basic Industries Corporation ("SABIC") petro chemicals facility, previously owned by Huntsman, which has a total capacity of 1.6 million barrels (250,000 cubic meters), or in the refinery's on-site crude oil tanks, which have a total capacity of 910,000 barrels (144,000 cubic meters).

Product Off-take

We sell the Teesside refinery's high-quality fuels directly to end users, petrochemical manufacturers, wholesalers and branded and unbranded resellers.

The Teesside refinery has a truck-loading-rack and railcar-loading facilities for loading of products for delivery to customers. The refinery also uses an off-site jetty owned by us and operated by SABIC with shiploading facilities of 15,000 barrels per hour (2,800 cubic meters per hour) and can handle vessels up to 80,000 tons. Petroplus or SABIC each have the option to terminate this arrangement with 12-months notice.

The Teesside refinery's total crude and product storage capacity is 2.8 million barrels (438,000 cubic meters) excluding the salt caverns. The refinery's 24 on-site crude and product storage tanks have a capacity of 2.6 million barrels (410,000 cubic meters). In addition, 12 product storage tanks with a capacity of 210,000 barrels (28,000 cubic meters) are located at the refinery's truck and rail loading facilities.

The refinery has well-established outlets to deliver its products to customers. The refinery's middle distillates are sold predominantly in the United Kingdom, by truck and train. Heavy and light distillates, including naphtha, are sold in more distant industrial regions of the United Kingdom as well as abroad for industrial use, with delivery in each case occurring by ship. The Teesside refinery's straight-run fuel oil is typically sold F.O.B. at the refinery to various European processing facilities. The quality of Ekofisk straight-run fuels, with their lower sulfur content, consistent properties, and lower levels of other impurities, results in a significant premium over other low-sulfur straight-run fuels available in northwest Europe.

Energy and Other Utilities

The Teesside refinery requires less power to operate than more complex refineries. The refinery's average electricity consumption is approximately 60 GWh per year, and its average power demand is approximately 7 megawatts. The Teesside refinery has arrangements with the adjacent SABIC petrochemicals facility for the provision of key utilities to the refinery. These utilities include hydrogen and nitrogen via pipeline, power from the local utilities grid and waste treatment in SABIC's wastewater treatment plant. SABIC or Petroplus may terminate the agreement covering these services with months notice.

The Antwerp Processing Facility

The Antwerp processing facility was acquired from the Daewoo Group in 1997. The Antwerp bitumen processing facility was acquired from AB Nynas Petroleum in 2003. The Antwerp processing facility is a hydro-treating processing facility of low complexity. Its major units include two atmospheric distillation units, one vacuum distillation unit, diesel hydrotreatment facilities and a sulfur-recovery unit.

One of the Antwerp processing facility's hydro-desulfurization units desulfurizes heavy gasoil to produce ULSD. The facility currently produces approximately 27,200 barrels of ULSD per day. Since the closure of its reformer, the Antwerp facility receives the hydrogen needed for desulphurization from Air Liquide pursuant to a supply contract. The second hydro desulphurization unit at the Antwerp processing facility is currently not in service. The facility also processes heavy crude oil, primarily Venezuelan crude oil, into bitumen. The facility processes on average approximately 5.4 million barrels of crude oil into 3.7 million barrels of bitumen and 1.5 million barrels of middle distillates (VGO, heating oil) per year. With its back-end processing capabilities, the Antwerp facility becomes another integral part of our overall North Sea Refining System that allows us greater flexibility in processing and production yields of middle distillates.

The Antwerp processing facility has 5.7 million barrels (900,000 cubic meters) of tank storage capacity. Approximately 50% of this capacity is leased to third parties.

Product Off-take

We typically sell the majority of Antwerp's annual production of diesel to oil majors, whereas all bitumen production is sold under a long term supply agreement ending in 2013.

The Acquisition of the Petit Couronne and Reichstett Vendenheim Refineries

Overview of the acquisition

On August 2, 2007, we announced that we had signed a letter of intent with Shell International Petroleum Company Ltd ("Shell") to acquire two of Shell's refineries located in France: the Petit Couronne refinery and the Reichstett Vendenheim refinery. The purchase price of the two refineries is expected to be approximately USD 475 million, plus the value of net working capital to be determined at closing.

We intend to finance the acquisition with cash on hand and debt.

In January 2008, the European Commission approved the intended acquisition. Completion of the acquisition is subject to the satisfaction of customary conditions, including certain governmental approvals and the execution of a sale and purchase agreement. The acquisition is expected to close early in the second quarter of 2008.

The information contained in this report regarding the Petit Couronne and Reichstett Vendenheim refineries is based solely on information provided by Shell and our analysis of the refineries and has not been reviewed or approved by Shell or any of its affiliates.

Petit Couronne Refinery Overview

The Petit Couronne refinery is situated on a 225-hectare site located about 130 kilometres northwest of Paris on the River Seine. The refinery has a total throughput capacity of approximately 154,000 barrels per day. The refinery was originally constructed in 1929.

The refinery receives its crude oil via pipeline from the marine facilities in Le Havre and has ready access to a broad range of product distribution avenues. Petit Couronne supplies the majority of its fuel products to major customers in the northwest of France, including the Paris region, by a combination of pipeline, rail, barge, and road truck deliveries (from the adjacent bulk terminal).

Main Process Units
The following table sets forth the main process units of the Petit Couronne refinery and their current capacities:

Main Process Units	Units	Current Capacity [1)]
Atmospheric Distillation	1	154,000
Vacuum Distillation	2	129,000
Fluid Catalytic Cracker	1	24,000
Catalytic Reformer	1	29,000
GO Desulphurisation	1	37,000
Naphtha Hydrotreater	1	54,000
Visbreaker	1	12,000
Deisopentanizer	1	14,000
Claus Units (tons / day)	2	285
Lubes Hydrotreaters	2	11,000
Dewaxing	2	9,000
Hydrofinisher	1	3,000
Furfurol extraction	2	4,000
Propane Deasphalting	1	7,000

[1)] Barrels per day, except as indicated.

Feedstocks and Supply Arrangements
Crude is supplied from a variety of sources including the Mediterranean, Baltic, Africa, Middle East, as well as the North Sea. Crude oil is primarily delivered to the refinery through the crude storage terminal in Le Havre and subsequently delivered through a 70-kilometer refinery-owned pipeline to the refinery.

As part of the purchase agreement, we intend to enter into a partial processing arrangement whereby Petroplus will process material owned by Shell and provide the resulting production to Shell for a period of time following the completion of the transaction.

Product Off-take
Petit Couronne is connected to the TRAPIL pipeline, through which the majority of the refinery's lighter products, such as clean transportation fuels, are transported. The pipeline is connected to several product storage terminals that supply the greater Paris area.

In addition to the product supplied under the processing agreement, we expect to enter into certain other product off-take agreements with Shell for additional products including LPG, reformates, and lubricants. The terms and conditions of such agreements have not yet been finalized.

Tankage Capacity
Tankage at the refinery is approximately 12 million barrels, with 4.7 million barrels dedicated to crude and other feedstock storage and approximately 7.6 million barrels to intermediate and finished products.

Reichstett Vendenheim Refinery Overview
The Reichstett Vendenheim refinery is located on a 650-hectare site in Alsace, France, near the city of Strasbourg, about 5 kilometres from the River Rhine. The refinery has a total crude oil throughput capacity of 85,000 barrels per day. The refinery was originally constructed in 1963.

Crude oil deliveries to the refinery are via the SPSE pipeline from Fos-sur-Mer in the South of France. Products are distributed primarily in the geographic region surrounding the refinery via truck and rail. The refinery also has product pipelines and connections to the Rhine for distribution by barge.

Main Process Units
The following table sets forth the main process units of the Reichstett refinery and their current capacities:

Main Process Units	Units	Current Capacity [1)]
Atmospheric Distillation	1	85,000
Vacuum Distillation	1	38,000
Naphtha Hydrotreater	1	27,000
GO Desulphurisation	1	23,000
Catalytic Reformer	1	17,000
Catalytic Cracker	1	16,000
Visbreaker	1	12,000
Thermal GO Unit	1	9,000
Claus Unit (tons / day)	2	140
Merox	1	3,000

[1)] Barrels per day, except as indicated.

Feedstocks and Supply Arrangements
Crude is supplied from the Mediterranean, Africa, Baltic Region, Latin America, Middle East as well as the North Sea. Crude oil is delivered to the Fos-sur-Mer terminal on the Mediterranean coast of France and shipped via pipeline. This is the same terminal and pipeline that services Petroplus' Cressier refinery.

Product Off-take
Reichstett is connected via pipeline, barge, rail and road to its local markets and has the ability to export to other regions when the opportunity arises.

As part of the purchase agreements we intend to enter into certain off-take agreements with Shell for finished products. The terms and conditions of such agreements have not yet been finalized.

Tankage Capacity

Tankage at the refinery is approximately 8 million barrels, with 1.5 million barrels dedicated to crude and other feedstock storage and approximately 6.5 million barrels to intermediate and finished products.

Operating and Financial Review

Management Discussion and Analysis of the Financial Condition and the Results of Operations

The following discussion and analysis is derived from, and should be read in conjunction with, the Petroplus Holdings AG Consolidated Financial Statements and the related notes to those Financial Statements included elsewhere in this Annual Report. The following discussion of our financial condition and results of operations contains forward-looking statements that are based on assumptions about our future business developments. As a result of many factors, including the risks set forth under the caption "Risks Relating to Our Business and Our Industry" and elsewhere in this Annual Report, our actual results may differ materially from those anticipated by these forward-looking statements.

Overview

Petroplus Holdings AG, together with its subsidiaries is the largest independent refiner and wholesaler of petroleum products in Europe. We are focused on refining and currently own and operate five refineries across Europe: the Coryton refinery in Coryton, United Kingdom, the Ingolstadt refinery in Ingolstadt, Germany, the BRC refinery in Antwerp, Belgium, the Cressier refinery in Cressier, Switzerland and the Teesside refinery in Teesside, United Kingdom. The five refineries have a combined throughput capacity of approximately 625,000 barrels per day ("bpd"). On August 2, 2007, we announced that we intend to acquire the Petit Couronne and Reichstett Vendenheim refineries, located in France, from Shell International Petroleum Company Limited. The Petit Couronne refinery and the Reichstett Vendenheim refinery have a total throughput capacity of 154,000 bpd and 85,000 bpd, respectively. After successful completion of these intended acquisitions, the company will have a combined throughput capacity of approximately 864,000 bpd. We also own and operate a bitumen and gasoil processing facility in Antwerp, Belgium.

We sell our refined petroleum products to distributors and end customers, primarily in the United Kingdom, Germany, Switzerland and the Benelux countries, as well as on the spot market.

We source our crude oil on a global basis through a combination of spot-market purchases and short-term purchase contracts. We believe spot-market purchases and short-term contracts give us flexibility in obtaining crude oil at lower prices and on a more accurate "as needed" basis. Since our Coryton, Ingolstadt, BRC and Cressier refineries have access, either directly or through pipeline connections, to deepwater terminals, we have the flexibility to purchase our crude oils from a number of different countries. In addition, our Teesside refinery is connected by a two-kilometer-long pipeline to the end terminal of the Ekofisk pipeline. This provides us with a cost advantage as it allows us to achieve C.I.F. priced Ekofisk at the Teesside refinery at F.O.B. prices.

On a consolidated basis, we generated revenues of USD 13,905.1 million and EBITDA of USD 551.2 million for the year ended December 31, 2007 and revenues of USD 6,923.0 million and EBITDA of USD 259.6 million for the year ended December 31, 2006.

Factors Affecting Comparability

Acquisition of the Coryton Refinery

On May 31, 2007, we completed the purchase of the Coryton refinery located on the Thames Estuary in the United Kingdom. The purchase price, including fees, inventory and other adjustments totaled approximately USD 1.6 billion and was financed with proceeds from our issuance of corporate bonds, cash on hand and drawings under our working capital facilities. The Coryton refinery and the related assets and liabilities are included in the Consolidated Balance sheet as of December 31, 2007, based on a preliminary purchase price allocation performed upon the closing of the transaction. The Consolidated Income and Cash Flow Statements include seven months of operations of the Coryton refinery for the period ended December 31, 2007.

Acquisition of the Ingolstadt Refinery

On March 31, 2007, we completed the purchase of the Ingolstadt refinery located in Ingolstadt, Germany, together with selected wholesale operations. The purchase price, including fees, inventory and other adjustments totaled USD 694.8 million and was financed with cash on hand and drawings under our working capital facilities. The Ingolstadt refinery and other related assets are included in the Consolidated Balance Sheet as of December 31, 2007, based on a preliminary purchase price allocation performed upon the closing of the transaction. The Consolidated Income and Cash Flow Statements include nine months of operations of the Ingolstadt refinery for the period ended December 31, 2007.

Acquisition of European Petroleum Holdings N.V.

On May 31, 2006, we acquired European Petroleum Holdings N.V. ("EPH") and its subsidiaries, an oil refining and distribution group. The purchase price, including fees, totaled USD 511.2 million. The net cash paid for EPH was USD 429.2 million which comprised the purchase price of USD 511.2 million less USD 82.0 million of cash acquired. The BRC refinery and other related assets are included in the Consolidated Balance Sheet based on the final asset valuation which was completed during the second quarter 2007. The Consolidated Income and Cash Flow Statements included seven months of operations of the EPH Group for the year ended December 31, 2006.

Corporate Structure, Initial Public Offering, Extinguishment of Debt

In August 2006, the shareholders of RIVR contributed their shares in RIVR Acquisition B.V. to Argus Atlantic Energy Ltd. ("Argus") in return for shares in Argus, resulting in a reverse acquisition in which Argus became the ultimate parent of RIVR. Argus subsequently transferred its registered office from Bermuda to Switzerland and changed its name to Petroplus Holdings AG. RIVR is now a wholly owned subsidiary of Petroplus Holdings AG. On November 30, 2006, Petroplus Holdings AG completed an Initial Public Offering ("IPO") of 18.0 million shares of common stock. In combination with the offering, RIVR sold approximately 66.3% of its 94.5% stake in Petroplus Holdings AG in a secondary offering of 22.0 million shares. On December 5, 2006, upon exercise of the over-allotment option, another 6.0 million shares were sold into the market, of which 45.0% or 2.7 million shares were provided by Petroplus Holdings AG. The proceeds from the offering as well as the proceeds of the selling shareholder's repayment of its note were used to pay down all of our outstanding borrowings.

Sale of Non-Core Assets/Discontinued Operations

In August 2006, we sold our non-core assets, or businesses that were not related to the refinery and wholesale marketing operations, to RIVR Holding B.V., 4Gas B.V., RIVR Divestment B.V. or buyers unaffiliated with our group and shareholders. These non-core assets included, among others:

- the 4Gas group, which is engaged in developing and operating liquefied natural gas terminals;
- the Petroplus, Milford Haven and German Tankstorage groups, which are engaged in the provision of tank storage facilities to the oil industry;
- the Bunkering group of companies including the Frisol group, Reinplus van Woerden Holding B.V. and North Sea Petroleum B.V., which is engaged in the wholesale bunkering and trading business; and
- the Oxyde Chemicals group, which is engaged in the chemicals and plastics trading and distribution business.

Additionally, PPI entered into a non-binding memorandum of understanding with 4-Gas B.V. to negotiate the sale of shares in Dragon LNG and Milford Energy Limited. This transaction closed in February 2007.

As of December 31, 2007 Petroplus had received approximately USD 600.0 million of the proceeds from these sales.

Factors Affecting Operating Results

Overview

Our earnings and cash flows from operations are primarily affected by the relationship between refined product prices and the prices for crude oil and other feedstocks. The cost to acquire crude oil and other feedstocks and the price of refined petroleum products ultimately sold depend on numerous factors beyond our control, including the supply of, and demand for, crude oil, gasoline, diesel and other refined petroleum products, which, in turn, depend on, among other factors, changes in global and regional economies, weather conditions, global and regional political affairs, production levels, the availability of imports, the marketing of competitive fuels, pipeline capacity, prevailing exchange rates and the extent of government regulation. Our revenue and operating income fluctuate significantly with movements in industry refined petroleum product prices; our materials cost fluctuate significantly with movements in crude oil prices; and our other operating expenses fluctuate with movements in the price of energy to meet the power needs of our refineries. In addition, the effect of changes in crude oil prices on our operating results is influenced by how the prices of refined products adjust to reflect such changes.

Crude oil and other feedstock costs and the prices of refined petroleum products have historically been subject to wide fluctuation. Expansion and upgrading of existing facilities and installation of additional refinery distillation or conversion capacity, price volatility, international political and economic developments and other factors beyond our control are likely to continue to play an important role in refining industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction or increase in product margins. Moreover, the industry typically experiences seasonal fluctuations in demand for refined petroleum products, such as for gasoline and diesel, during the summer driving season and for home heating oil during the winter.

Our supply and distribution group, which is centrally based in Zug, Switzerland, is responsible for all physical supply and commercial optimization activities for our refineries. The group's primary goal is to optimize both the supply of crude for each refinery and the off-take of each refinery's refined petroleum products. The supply and distribution group is also responsible for managing our commodity price exposure.

Benchmark Refining Margins

In assessing our operating performance, we compare the refining margins (revenue less materials cost) of each of our refineries against a specific benchmark industry refining margin based on a crack spread. Benchmark refining margins take into account both crude and refined petroleum product prices. When these prices are combined in a formula they provide a single value - a gross margin per barrel - that, when multiplied by a throughput number, provides an approximation of the gross margin generated by refining activities.

A refinery's performance does not exactly follow a published benchmark industry refining margin. Most published benchmarks are created using a single crude oil. This is often the lightest, sweetest crude oil for that region, such as Dated Brent for northwest Europe. A refinery typically runs a crude oil slate that includes more than just that specific benchmark crude oil or runs a different crude oil altogether, thereby creating a differential to the published benchmark. For example, as Urals prices at a discount to Dated Brent, this crude oil slate would result in a different refining margin than an industry benchmark calculated using only Dated Brent. A refinery may also achieve a price differential due to the location of the quoted benchmark products relative to the location where the refinery's products are actually sold. For example, a quote for 95 octane gasoline F.O.B. may be made by reference to the price for this product in the ARA region, while a specific refinery might be located in an inland market where it is able to achieve an inland premium for its products due to lower product transportation costs compared to imported products. In addition to these factors, a refinery's production does not match the weighted values of products within a calculated published benchmark. For example, a 2/1/1 benchmark refining margin means that for every two barrels of crude oil processed, one barrel of a particular refined product and one barrel of another refined product will be produced in equal portions. A refinery that uses a 2/1/1 margin for its reference benchmark will produce more than two types of refined products, which could affect the refinery's performance, positively or negatively, relative to the reference benchmark depending on the mix of products produced. Another factor affecting a refinery's performance relative to a reference benchmark is the actual quality of products produced by the refinery. For example, a refinery may produce super unleaded 98 octane gasoline, while its benchmark may be calculated by reference to premium 95 octane gasoline. This would cause a disparity due to the higher value of super unleaded 98 octane gasoline compared to premium 95 octane gasoline.

Our refineries' actual results will vary from reference benchmarks as our refineries have different crude oil, product slates and ancillary costs than those reflected in the benchmarks, such as crude oil and product-grade differentials, transportation costs, storage and credit fees, inventory fluctuations and commodity price management. As discussed in more detail below, each of our refineries, depending on market conditions, has certain feedstock-cost and product value advantages and disadvantages as compared to the refinery's relevant benchmark.

As the performance of our refineries does not closely follow any of the currently published industry benchmark refining margins, we have created benchmark refinery margins, based upon publicly available pricing information, for each of our refineries that more closely reflects each of our refinery's actual performance. The benchmark refining margins for the five refineries we operated during the year 2007 are set forth in the following table:

Coryton refinery 5/2/2/1	five Dated Brent/two gasoline/two Ultra low sulfur diesel ("ULSD")/one 3.5% fuel oil
Ingolstadt refinery 10/1/3/5/1	ten Dated Brent/one Naphtha/three gasoline/five ULSD/one 3.5% fuel oil
BRC refinery 6/1/2/2/1	six Dated Brent/one gasoline/two gasoil/two vacuum gasoil ("VGO")/one 3.5% fuel oil
Cressier refinery 7/2/4/1	seven Dated Brent/two gasoline/four gasoil/one 1% fuel oil
Teesside refinery 5/1/2/2	five Dated Brent/one Naphtha/two ULSD/two straight-run fuel oil

Each of the benchmark refining margins for our refineries are expressed in USD per barrel and serve as proxies for the per barrel margin that a Dated Brent crude oil refinery situated in northwest Europe would earn assuming it sold the benchmark production for the relevant refinery margin.

Factors which Impact the Benchmark Refining Margins

While the benchmark refinery margins presented in the table above are representative of the results of our refineries, each refinery's realized gross margin on a per barrel basis will differ from the benchmark due to a variety of factors affecting the performance of the relevant refinery to its corresponding benchmark. These factors include the refinery's actual type of crude oil throughput, product yield differentials and any other factors not reflected in the benchmark refining margins, such as transportation costs, storage costs, credit fees, fuel consumed during production and any product premiums or discounts, as well as inventory fluctuations, a rising or declining crude and product pricing environment and commodity price management activities. The benchmarks are designed to provide a simplified picture of the yields of each of our refineries; however, the actual refining margin at each of our refineries will vary from the simple percentages expressed in the benchmarks due to the following:

- The crude actually purchased during the period will be different than what is represented in the benchmark refining margin. We currently source our crude oil on a global basis through a combination of spot-market purchases and short-term purchase contracts. We believe purchases based on spot market pricing have given us flexibility in obtaining crude oil at lower prices and on a more accurate "as needed" basis. Each one of our refineries runs a variety of crude oils and feedstocks, even our simplest refinery has more than one input, and each one of those inputs has a price that is different from the price of crude oil used in the benchmark calculation thereby causing a variation from the calculated benchmark.

- Actual production for the period may be under, over or non-represented in the benchmark. A refinery's realized pricing will reflect actual yields.
- Petroplus realizes product premiums or discounts that will cause our actual realized prices or margins to differ from published market price information for the same commodities. These premiums and discounts can vary based on the qualities of the actual commodities and market influences.
- Ancillary crude costs such as transportation and storage.
- The cost represented by the fuel consumed during production is not reflected in the benchmark refining margins. During the refining process, some of the purchased raw material is consumed or lost in the production process. While this energy is an integral and necessary part of the refining process, it also represents purchased raw material for which there is no saleable end product. The cost of fuel consumed is a function of the total cost of feedstocks and will vary as the cost of those raw materials varies.
- A change in the crude and product pricing environment, rise or decline, will influence our inventory levels, purchasing decisions and commodity price management activities and, ultimately, will all have an impact on our realized gross margin. Our commercial and operational decisions are a direct response to the market and as such will change as market conditions change.

In summary, while the benchmark refining margins provide a rough guideline for the production based margins of each site, they are only a starting point from which many adjustments must be considered to arrive at our actual realized margins.

Commodity Price Management

The nature of our business requires us to maintain a substantial investment in petroleum inventories. Since petroleum feedstocks and products are essentially commodities, we have no control over the changing market value of these inventories. To supply our refineries with crude oil on a timely basis, we enter into purchase contracts that fix the price of crude oil from one to several weeks in advance of receiving and processing that crude oil. In addition, it is common as part of our marketing activities to enter into fixed price contracts for sales of our refined petroleum products in advance of producing and delivering the products. Prior to delivery of the crude oil and sale of the related refined petroleum products, the market value of the crude oil and products may change as prices rise and fall related to the fixed purchase and sale commitments. To manage the exposure to commodity price fluctuations we have historically entered into various hedging activities. As noted above, our refineries' results will differ from the reference benchmarks due to our hedging or commodity price management activities.

Historically, the most significant gains and losses relating to our hedging activities have been attributable to refining margin and minimum operating stock hedges. We were previously required to maintain certain levels of hedges to comply with our historical senior term debt and working capital facilities. Following the IPO in November 2006, we repaid and cancelled our senior term debt and renegotiated our working capital facilities to eliminate these hedging requirements. Following the repayment of our senior term debt and renegotiation of our working capital facilities, we significantly reduced the proportion of refining capacity and minimum operating stock hedges going forward. All of the minimum operating stock hedging activities were discontinued as of December 31, 2006. As of the 2007 year-end, all open refining margin contracts had priced and settled. We have no plans to continue either hedging program. Currently, we primarily use a commodity price management program to manage the fluctuation associated with commodity pricing on a portion of our inventory. Under this program we enter into commodity InterContinentalExchange ("ICE") futures contracts and counterparty swaps to lock in the price of certain commodities, primarily on a portion of crude purchased. As we have not currently designated our derivative financial instruments as effective hedges, any gains or losses arising from changes in the fair value of these instruments are recorded in our Income Statement, under the line item materials cost.

Our derivative contracts are classified as derivative instruments and are recorded on our balance sheet at fair market value, while the fixed purchase and sale commitments are not considered derivatives and are recorded at the contract value at the time of purchase or sale.

Other Factors

Our operating cost structure is also important to our profitability. Major operating costs include costs relating to employees and contract labor, energy, maintenance and environmental compliance. The predominant variable cost is energy, in particular, the price of electricity, natural gas and chemicals.

Our operating results are also affected by safety, reliability and the environmental performance of our refinery operations. Unplanned downtime of our refinery assets generally results in lost margin opportunity and increased maintenance expense. The financial impact of planned downtime, such as major turnaround maintenance, is managed through a planning process that considers such things as the margin environment, the availability of resources to perform the needed maintenance and feedstock logistics.

The following includes refinery specific information related to crude differentials, ancillary costs, and local premiums and discounts. For actual charge and yields including fuel consumed by refinery see the "Results of operations" section.

Coryton Refinery

The benchmark refining margin for the Coryton refinery is calculated by assuming that five barrels of the benchmark Dated Brent crude oil are converted into two barrels of 95 research octane number ("RON") gasoline, two barrels of ULSD and one barrel of 3.5% fuel oil. We calculate this refining margin using the market value of 95 RON gasoline, ULSD and 3.5% fuel oil, in each case on an F.O.B. basis, against the market value of Dated Brent crude oil and refer to the benchmark as the 5/2/2/1 benchmark refining margin.

The Coryton refinery's realized gross margin on a per barrel basis has historically differed from the 5/2/2/1 benchmark refining margin due to the following factors:

- The Coryton refinery processes primarily sweet crude oil from the North Sea region, which has historically constituted approximately 60% of total throughput, and heavy sour crude oils, which have historically constituted approximately 10% of total throughput. The remaining throughput consists of other feed and blendstocks, typically straight-run fuel oil. These other throughputs have historically priced at a discount to Dated Brent.
- Ancillary crude costs, primarily transportation costs, at the Coryton refinery have historically averaged approximately USD 0.90 per barrel of throughput.

Ingolstadt Refinery

The benchmark refining margin for the Ingolstadt refinery is calculated by assuming that ten barrels of the benchmark Dated Brent crude oil are converted into one barrel of naphtha, three barrels of 95 RON gasoline, five barrels of ULSD and one barrel of 3.5% fuel oil. We calculate this refining margin using the market value of naphtha on a C.I.F. basis and 95 RON gasoline, ULSD and 3.5% fuel oil, in each case on an F.O.B. basis, against the market value of Dated Brent crude oil and refer to the benchmark as the 10/1/3/5/1 benchmark refining margin.

The Ingolstadt refinery's realized gross margin on a per barrel basis has historically differed from the 10/1/3/5/1 benchmark refining margin due to the following factors:

- The Ingolstadt refinery has historically run a mixture of crude oils in its throughput slate, including CPC Blend, Arab Heavy, Arab Medium, Azeri Light, that, in aggregate, have historically priced at differentials to Dated Brent. In addition, the refinery blends bio components typically in gasoline and diesel, which have fluctuated in parallel with gasoline and diesel pricing, which historically have increased the overall crude differential premium to Dated Brent.
- Given its inland location, the Ingolstadt refinery incurs higher crude transportation costs, which also results in a differential to the 10/1/3/5/1 benchmark refining margin. We have estimated that ancillary crude costs, primarily transportation costs, at the Ingolstadt refinery have historically averaged USD 1.40 per barrel of throughput.
- The Ingolstadt refinery is located in an inland market, enabling the refinery to achieve a regional premium for its refined products compared to the cost of importing products from outside the region.

BRC Refinery

The benchmark refining margin for the BRC refinery is calculated by assuming that six barrels of benchmark Dated Brent crude oil are converted into one barrel of 95 RON gasoline, two barrels of gasoil, two barrels of VGO and one barrel of 3.5% fuel oil. We calculate this benchmark refining margin using the market value of VGO on a C.I.F. basis and 95 RON gasoline, heating oil (as a proxy for gasoil) and 3.5% fuel oil, in each case on a F.O.B. basis, against the market value of Dated Brent crude oil and refer to this benchmark as the 6/1/2/2/1 benchmark refining margin.

The BRC refinery's realized gross margin on a per barrel basis has historically differed from the 6/1/2/2/1 benchmark refining margin due to the following factors:

- The BRC refinery processes primarily Urals crude oil, which has historically constituted approximately 60% of total throughput, and heavy sour crude oils, which have historically constituted approximately 20% of total throughput. These feedstocks historically have priced at a discount to Dated Brent. The remaining throughput consists of a mixture of other crude oils and feedstocks.
- Ancillary crude costs, primarily transportation costs, at the BRC refinery have historically averaged approximately USD 0.35 per barrel of throughput.
- The BRC refinery also achieves a slight location premium for its products, primarily due to the low cost of transportation for the products it distributes in the ARA region.

Cressier Refinery

The benchmark refinery margin for the Cressier refinery is calculated by assuming that seven barrels of Dated Brent crude oil are converted into two barrels of 95 RON gasoline, four barrels of gasoil and one barrel of 1% fuel oil. We calculate this refinery margin using the market value of 95 RON gasoline, heating oil (as a proxy for gasoil) and 1% fuel oil, in each case on an F.O.B. basis, against the market value of Dated Brent crude oil and refer to this benchmark as the 7/2/4/1 benchmark refining margin.

The Cressier refinery's realized gross margin on a per barrel basis has historically differed from the 7/2/4/1 benchmark refining margin due to the following factors:

- The Cressier refinery has historically run a mixture of crude oils, including CPC Blend, Brass River, Saharan Light and Bonny Light. In the aggregate, these crude oils tend to price higher than the benchmark Dated Brent crude oil.
- Given its inland location, the Cressier refinery incurs higher crude transportation costs, which also results in a differential to the benchmark refining margin. Ancillary crude costs, primarily transportation costs, at the Cressier refinery have historically averaged approximately USD 2.00 per barrel of throughput.
- The Cressier refinery is located in an inland market, enabling the refinery to achieve a regional premium for its refined products compared to the cost of importing products from outside the region. The principal driver of this regional premium is the freight costs on the Rhine River from Rotterdam into Switzerland.

Teesside Refinery

The benchmark refining margin for the Teesside refinery is calculated by assuming that five barrels of benchmark Dated Brent crude oil are converted into one barrel of naphtha, two barrels of ULSD and two barrels of straight-run fuel oil. We calculate this refining margin using the market value of naphtha on a C.I.F. basis, ULSD on an F.O.B. basis and straight-run fuel oil on an F.O.B. basis against the market value of Dated Brent crude oil and refer to this benchmark as the 5/1/2/2 benchmark refining margin.

The Teesside refinery's realized gross margin on a per barrel basis has historically differed from the 5/1/2/2 benchmark refining margin due to the following factors:

- The Teesside refinery has historically processed a slate of almost entirely Ekofisk crude oil, which has historically priced higher than the Dated Brent crude oil used in calculating the 5/1/2/2 benchmark refining margin.
- The Teesside refinery is connected by a two-kilometer-long pipeline to the end terminal of the Ekofisk pipeline. This enables the refinery to achieve a transportation discount as a result of lower crude transportation costs relative to the 5/1/2/2 benchmark refining margin. Ancillary crude costs at the Teesside refinery have historically averaged approximately USD 0.05 per barrel of throughput.
- The Teesside refinery generates a pricing benefit on some of its products, primarily its straight-run fuel oil.

The following table sets forth historical benchmark crude and refined petroleum product pricing information used in calculating each of our refineries' refining margins:

Reference Benchmark Crude and Product Prices [1)]

	December 31,	
(in USD per barrel)	2007	2006
Crude Oil		
Dated Brent	72.71	65.41
Products Differential to Dated Brent [1) 3)]		
Naphtha	3.19	(1.89)
95 RON gasoline	10.91	8.87
ULSD	17.59	16.23
Gasoil [2)]	12.65	12.13
1% Fuel Oil	(18.85)	(19.54)
3.5% Fuel Oil	(19.01)	(20.04)

Source: Bloomberg

1) Average of daily prices for trading days during the relevant period.
2) Based on the quoted price for heating oil.
3) Straight run fuel oil and VGO represented 88% and 98% of Dated Brent for year ended December 31, 2007, respectively. Straight run fuel oil and VGO represented 87% and 93% of Dated Brent for the year ended December 31, 2006, respectively.

Results of Operations

The tables below provide supplementary Income Statement and operating data for Petroplus Holdings AG. Selected items in each of the periods are discussed separately below.

Financial income data

(in millions of USD, except per share data)	For the year ended December 31, 2007	2006
Continuing operations		
Revenue	13,905.1	6,923.0
Materials cost	(12,739.3)	(6,376.6)
Gross margin	**1,165.8**	**546.4**
Personnel expenses	(237.9)	(115.5)
Operating expenses	(319.2)	(139.3)
Depreciation and amortization	(164.3)	(74.9)
Other administrative expenses	(59.3)	(36.5)
Operating profit	**385.1**	**180.2**
Financial expense, net	(68.2)	(85.5)
Foreign currency exchange gains	1.8	4.2
Share of gain from associates	-	0.3
Profit before income taxes	**318.7**	**99.2**
Income tax expense	(8.3)	(25.1)
Net income from continuing operations	**310.4**	**74.1**
(Loss) / gain from discontinued operations, net of tax	(7.1)	369.5
Net income available to minority interests	**-**	**0.2**
Net income	**303.3**	**443.4**
Other financial data		
EBITDA	551.2	259.6
Hedging (loss) / gain [1]	(4.0)	182.6
Net income per share available to shareholders (in USD):		
Basic	4.57	10.90
Diluted	4.44	10.51
Weighted average shares outstanding (in million shares):		
Basic	66.3	40.7
Diluted	68.3	42.2

[1] Represents the gains and losses on refining margin commodity hedges. Excludes gains and losses on other commodity hedges in relation to commodity price management activities in the ordinary course of business and minimum operating stock hedging activities.

Footnotes for the tables on page 33 and 34/35

** Not relevant.

[1] We manage our refinery business, including feedstock acquisition and product marketing, on an integrated basis; however, for analytical purposes the business results shown here have been allocated to the individual refineries. Since crude oil is often purchased and priced well in advance of the time that it is consumed and the value of refinery production can be fixed before or after it is produced, our actual results may significantly vary from those that would be determined with reference to benchmark market indicators. We manage this price risk on a total Company basis and may purchase futures contracts that correspond volumetrically with all or a portion of our fixed price purchase and sale commitments. As a result, the individual refinery realized gross margins presented here do not reflect the results that would be reported if separately accounted for in accordance with IFRS. We believe that this individual refinery information is helpful in understanding our overall operating results.

[2] Excludes minimum operating stock and refining margin hedging activities that are not expected to occur in the future.

[3] We acquired the Coryton refinery on May 31, 2007; therefore the volumetric data for the year ended December 31, 2007 includes only seven months of operations. Benchmark indicators reflect the average prices from the applicable time period of Petroplus ownership.

[4] We acquired the Ingolstadt refinery on March 31, 2007; therefore the volumetric data for the year ended December 31, 2007 includes only nine months of operations. Benchmark indicators reflect the average prices from the applicable time period of Petroplus ownership.

[5] We acquired the BRC refinery on May 31, 2006; therefore the volumetric data for the year ended December 31, 2006 includes only seven months of operations. Benchmark indicators reflect the average prices from the applicable time period of Petroplus ownership.

[6] The fuel consumed in process is a percentage of the total crude, feedstock, and gasoline and diesel blending additives used by each refinery.

Market indicators

(in USD per barrel)	For the year ended December 31, 2007	2006
Dated Brent *	72.71	65.41
Benchmark refining margins		
5/2/2/1 Coryton 3)	7.26	**
10/1/3/5/1 Ingolstadt 4)	11.00	**
6/1/2/2/1 BRC 5)	2.13	0.10
7/2/4/1 Cressier	7.65	6.67
5/1/2/2 Teesside	4.31	2.50

* Source: Bloomberg

(in thousands of bpd, except as noted)	For the year ended December 31, 2007	2006
Selected Volumetric and Per Barrel Data 1)		
Total crude unit throughput:		
Coryton 3)	66.7	**
Ingolstadt 4)	63.5	**
BRC 5)	63.2	40.9
Cressier	52.8	62.1
Teesside	91.0	89.9
Total crude throughput	**337.2**	**192.9**
Total other throughput:		
Coryton 3)	30.1	**
Ingolstadt 4)	1.7	**
BRC 5)	14.3	6.1
Cressier	1.4	1.7
Teesside	0.1	0.3
Total other throughput	**47.6**	**8.1**
Total throughput	**384.8**	**201.0**
Total throughput (millions of barrels)	**140.5**	**73.4**
Gross margin (USD per barrel of total throughput) 1) 2)		
Coryton 3)	9.79	**
Ingolstadt 4)	7.99	**
BRC 5)	7.25	4.40
Cressier	6.97	4.83
Teesside	5.34	2.52
Operating expenses (USD per barrel of total throughput) 1)		
Coryton 3)	4.99	**
Ingolstadt 4)	3.35	**
BRC 5)	2.60	2.20
Cressier	2.69	2.25
Teesside	1.34	1.36

(in thousands of bpd, except as noted)	For the year ended December 31, 2007											
	Total		Coryton [3]		Ingolstadt [4]		BRC [5]		Cressier		Teesside	
Throughput												
Crude Unit Throughput												
Light sweet	194.7	51%	63.0	65%	7.0	11%	3.1	4%	30.6	56%	91.0	100%
Medium sweet	11.2	3%	-	-	8.8	13%	-	-	2.4	4%	-	-
Light sour	60.0	16%	-	-	40.7	62%	-	-	19.3	36%	-	-
Medium sour	50.9	13%	3.2	3%	1.7	3%	45.5	59%	0.5	1%	-	-
Heavy sour	20.4	5%	0.5	1%	5.3	8%	14.6	19%	-	-	-	-
Total Crude Unit Throughput	**337.2**	**88%**	**66.7**	**69%**	**63.5**	**97%**	**63.2**	**82%**	**52.8**	**97%**	**91.0**	**100%**
Other Throughput	47.6	12%	30.1	31%	1.7	3%	14.3	18%	1.4	3%	0.1	0%
Total Throughput	**384.8**	**100%**	**96.8**	**100%**	**65.2**	**100%**	**77.5**	**100%**	**54.2**	**100%**	**91.1**	**100%**
Production												
Light Products												
Gasoline	80.5	21%	40.7	42%	18.2	28%	8.0	10%	13.6	25%	-	-
Diesels and gasoils	159.2	42%	27.5	28%	28.1	43%	49.1	64%	23.8	44%	30.7	33%
Jet fuel	19.6	5%	9.3	10%	2.2	3%	-	-	3.9	7%	4.2	5%
Petrochemicals	3.7	1%	1.8	2%	1.2	2%	-	-	0.7	1%	-	-
Naphtha	28.5	7%	-	-	4.7	7%	0.3	0%	-	-	23.5	26%
LPG	15.4	4%	1.3	1%	6.5	10%	4.6	6%	3.0	6%	-	-
Total Light Products	**306.9**	**80%**	**80.6**	**83%**	**60.9**	**93%**	**62.0**	**80%**	**45.0**	**83%**	**58.4**	**64%**
Low sulfur straight run	31.7	8%	-	-	-	-	-	-	-	-	31.7	35%
Fuel oil	38.4	10%	14.4	15%	3.7	6%	12.8	16%	7.5	14%	-	-
Solid by-products / fuel consumed in process / fuel loss [6]	14.0	4%	4.3	5%	3.3	5%	2.9	4%	2.3	4%	1.2	1%
Total Production	**391.0**	**102%**	**99.3**	**103%**	**67.9**	**104%**	**77.7**	**100%**	**54.8**	**101%**	**91.3**	**100%**

	For the year ended December 31, 2006											
(in thousands of bpd, except as noted)	Total		Coryton [3]		Ingolstadt [4]		BRC [5]		Cressier		Teesside	
Throughput												
Crude Unit Throughput												
Light sweet	137.7	69%	**	**	**	**	0.7	2%	47.1	74%	89.9	100%
Heavy sweet	-	-	**	**	**	**	-	-	-	-	-	-
Medium sour	42.2	21%	**	**	**	**	29.3	62%	12.9	20%	-	-
Heavy sour	13.0	6%	**	**	**	**	10.9	23%	2.1	3%	-	-
Total Crude Unit Throughput	**192.9**	**96%**	**	**	**	**	**40.9**	**87%**	**62.1**	**97%**	**89.9**	**100%**
Other Throughput	8.1	4%	**	**	**	**	6.1	13%	1.7	3%	0.3	0%
Total Throughput	**201.0**	**100%**	**	**	**	**	**47.0**	**100%**	**63.8**	**100%**	**90.2**	**100%**
Production												
Light Products												
Gasoline	20.6	10%	**	**	**	**	4.7	10%	15.9	25%	-	-
Diesels and gasoils	87.3	43%	**	**	**	**	29.2	62%	28.6	45%	29.5	33%
Jet fuel	9.8	5%	**	**	**	**	-	-	4.9	7%	4.9	5%
Petrochemicals	0.6	0%	**	**	**	**	-	-	0.6	1%	-	-
Naphtha	24.1	12%	**	**	**	**	1.8	4%	-	-	22.3	25%
LPG	4.2	2%	**	**	**	**	0.9	2%	3.3	5%	-	-
Total Light Products	**146.6**	**72%**	**	**	**	**	**36.6**	**78%**	**53.3**	**83%**	**56.7**	**63%**
Low sulfur straight run	32.3	16%	**	**	**	**	-	-	-	-	32.3	36%
Fuel oil	17.7	9%	**	**	**	**	9.6	20%	8.1	13%	-	-
Solid by-products / fuel consumed in process / fuel loss [6]	5.5	3%	**	**	**	**	1.8	4%	2.5	4%	1.2	1%
Total Production	**202.1**	**100%**	**	**	**	**	**48.0**	**102%**	**63.9**	**100%**	**90.2**	**100%**

2007 Compared to 2006

Overview

Our operating profit was USD 385.1 million for the year ended December 31, 2007 as compared to USD 180.2 million for the same period in 2006. Income from continuing operations for the year ended December 31, 2007 was USD 310.4 million as compared to USD 74.1 million for the same period in 2006. Our net income available to shareholders was USD 303.3 million (USD 4.57 per share) for the year ended December 31, 2007 as compared to USD 443.6 million (USD 10.90 per share) in the same period in 2006.

The prior period consolidated results include significant gains realized in the year ended December 31, 2006, which were not recurring in the year ended December 31, 2007, relating to our discontinued refining margin hedging program and gains from sales of discontinued operations. The results from continuing operations for the year ended December 31, 2007 included a loss of USD 4.0 million versus a gain of USD 182.6 million in the same period in 2006 related to our refining margin commodity hedges. The results from discontinued operations include a loss of USD 7.1 million for the year ended December 31, 2007 versus a gain of USD 369.5 million in the same period in 2006. Additionally, the results of operations for the year ended December 31, 2007 include operations of the Ingolstadt refinery for nine months, the Coryton refinery for seven months and BRC, which was acquired on May 31, 2006.

Revenue

Our revenue increased by USD 6,982.1 million, or 101%, to USD 13,905.1 million for the year ended December 31, 2007 from USD 6,923.0 million for the year ended December 31, 2006. The increase in revenue was attributable to the acquisition of the Ingolstadt and Coryton refineries in the second quarter of 2007 and the acquisition of BRC on May 31, 2006. Additionally, the market experienced higher refined petroleum product prices during the year 2007 in comparison to the same period in 2006.

Gross Margin

Our gross margin increased by USD 619.4 million, or 113%, to USD 1,165.8 million for the year ended December 31, 2007 from USD 546.4 million for the year ended December 31, 2006. The increased gross margin for the year ended December 31, 2007 was principally driven by the acquisitions of the Ingolstadt refinery (nine months of operations), the Coryton refinery (seven months of operations) and the BRC refinery (seven months of operations in 2006). This was offset by the decrease in gains associated with our discontinued refining margin hedging program. The net impact of our refining margin commodity hedges resulted in a loss of USD 4.0 million for the year ended December 31, 2007 as compared to a gain of USD 182.6 million for the same period in 2006.

Our 5/2/2/1/ benchmark refining margin for Coryton averaged USD 7.26 per barrel for the seven months ended December 31, 2007. Our 10/1/3/5/1 benchmark refining margin for the Ingolstadt refinery averaged USD 11.00 per barrel for the nine months ended December 31, 2007. Our 6/1/2/2/1 benchmark refining margin for the BRC refinery averaged USD 2.13 per barrel for the year ended December 31, 2007 and USD 0.10 per barrel for the seven months ended December 31, 2006. Our 7/2/4/1 benchmark refining margin for the Cressier refinery increased 15% for the year ended December 31, 2007 as compared to the same period in 2006. This is primarily due to the higher gasoline premiums to Dated Brent slightly offset by a decreased premium of heating oil to Dated Brent. Our 5/1/2/2 benchmark refining margin for the Teesside refinery was 72% higher in the year ended December 31, 2007 as compared to the same period in 2006. This increase was primarily driven by the increase in the price of Naphtha in 2007, which has historically been at a discount to Dated Brent.

During 2007, crude began the year at approximately USD 55 per barrel and steadily increased to USD 70 per barrel by the middle of the year. Toward the end of the second quarter and through the second half of the year, Dated Brent significantly increased by nearly USD 25 per barrel to close the year near USD 95 per barrel. This significant increase had a positive impact on our refineries due to the lag effect from the time crude is purchased to when the finished product is sold. During 2006, Dated Brent began the year at around USD 60 per barrel and increased steadily to around USD 70 in the middle of the year before steadily decreasing back down to USD 60 by the end of the year.

Our realized margin at each of our refineries was impacted by the types of crude oil we processed during 2006 and 2007. At the Coryton refinery, approximately 65% of total throughput was light sweet crude oil, of which over 40% was Forties crude oil. Forties crude oil averaged approximately USD 0.20 per barrel over the Dated Brent price during 2007. The remaining light sweet crude slate at the refinery averaged an approximate USD 1.20 per barrel premium to Dated Brent, which was offset by the other feed- and blendstocks driving the overall crude differential flat to Dated Brent. At the Ingolstadt refinery, 62% of total throughput was CPC blend, a light sour crude oil which priced in 2007 on average an approximate USD 0.80 per barrel premium to Dated Brent. The remaining impact on the crude differential is the combination of other feed- and blendstocks, mainly composed of the bio- components that averaged over USD 50.00 per barrel over Dated Brent. At the BRC refinery, we processed approximately 60% Urals crude oil, which the average discount during 2007 to Dated Brent was approximately USD 3.10 per barrel. The refinery processes high sulfur straight run fuel oil, which priced at a USD 12.00 per barrel discount to Dated Brent. The Cressier refinery ran a more sour slate during 2007 than in 2006. The refinery processed approximately 37% CPC blend crude oil during 2007 as compared to almost 20% of the 2006 total throughput. Most of the increase occurred during the latter months of 2007 and therefore the increased differential impact of the North African crudes, such as Bonny Light and Brass River, still had a significant impact on Cressier's crude differential. The price differentials of these North African crudes increased by USD 1.20 per barrel during 2007 as compared to 2006. Lastly, the Teesside refinery processed all Ekofisk crude oil, which, as compared with 2006, increased in differential to Dated Brent by USD 1.00 per barrel.

Fuel consumed in the production process has a negative impact on our realization to the benchmark refining margin, fluctuating with the absolute crude price. In 2007 and 2006 we consumed about 5.0 and 2.0 million barrels, respectively in the production process. The average price of Dated Brent was USD 72.71 per barrel in 2007 versus USD 65.41 per barrel in 2006. The increase in both fuel consumed barrels and the absolute price of crude oil over the prior year has a direct impact on our cost of fuel consumed in production included in the refining margin in 2007.

In 2006, the Company was required to maintain certain levels of hedges in order to comply with our historical senior term debt and working capital facilities. Following the IPO in November 2006, we repaid and cancelled our senior term debt and renegotiated our working capital facilities to eliminate these hedging requirements. Following the repayment of our senior term debt and renegotiation of our working capital facilities, we significantly reduced the proportion of refining capacity and minimum operating stock hedges going forward. Currently, we primarily use a commodity price management program to manage our exposure to fluctuations in commodity pricing. Under this program we enter into commodity ICE futures contracts and counterparty swaps to lock in the price of certain commodities, primarily on a portion of our crude purchases. As we have not currently designated our derivative financial instruments as effective hedges, any gains or losses arising from changes in the fair value of these instruments are recorded in our Income Statement, under the line item materials cost. Materials cost for Petroplus included a loss of USD 4.0 million in 2007 and a gain of USD 164.3 million in 2006 related to refining margin and minimum operating stock hedging activities. All of the minimum operating stock hedging activities were discontinued as of December 31, 2006. As of the 2007 year-end all open refining margin contracts have priced and settled. We currently have no plans to continue either hedging program. Materials cost included a loss of USD 84.4 million in 2007 and a gain of USD 81.7 million in 2006 related to our continuing commodity price management program.

Refinery Operations

Coryton. The Coryton refinery was acquired on May 31, 2007 and therefore reflects only seven months of operations. The Coryton refinery's total throughput rate for the seven months ended December 31, 2007 averaged 165,000 bpd. For most of the fourth quarter, the refinery was impacted by the fire in the Dehexanizer Column which occurred on October 31, 2007.

Ingolstadt. The Ingolstadt refinery was acquired on March 31, 2007 and therefore reflects only nine months of operations. The Ingolstadt refinery's total throughput rate for the nine months ended December 31, 2007 averaged approximately 86,600 bpd. Total throughput reflects the impact of coke build-up in the crude column which caused reduced rates during the year until the planned maintenance shutdown in the fourth quarter of 2007 which lasted 25 days.

BRC. For the year ended December 31, 2007, the BRC refinery's total throughput rate averaged approximately 77,500 bpd. For the seven months ending December 31, 2006, the total throughput rate averaged approximately 80,200 bpd. For most of the second quarter and part of the third quarter of 2007, the refinery was impacted by the largest scheduled maintenance shutdown in its history to undertake improvements in safety and environmental areas as well as to increase reliability and productivity. This program was completed early in the third quarter of 2007.

Cressier. For the year ended December 31, 2007, the Cressier refinery's total throughput rate averaged approximately 54,200 bpd. For the same period in 2006, the Cressier refinery's total throughput rate averaged approximately 63,800 bpd. The reduced rate in 2007 reflects the impact of the planned maintenance shutdown during the second quarter of 2007 which lasted 41 days.

Teesside. For the year ended December 31, 2007, the Teesside refinery's total throughput rate averaged approximately 91,100 bpd. For the same period in 2006, the Teesside refinery's total throughput rate averaged approximately 90,200 bpd. The throughput rates in 2006 reflect a planned maintenance turnaround in the second quarter of 2006 which lasted approximately 30 days. The Teesside refinery, during certain periods in 2007 and 2006 ran at reduced rates in reaction to the market structure of higher Ekofisk crude oil differentials combined with the lower margin environment.

Antwerp Processing Facility. Our Antwerp processing facility's operating profit before depreciation for the year ended December 31, 2007 was USD 18.0 million as compared to a loss of USD 11.8 million in 2006. The profit in the current period represents operational improvement associated with the expiration of the Litasco contracts during the second quarter and increased rental income from tank storage fees from customers. Additionally, a provision for un-metered natural gas consumption of USD 6.2 million was released during the fourth quarter.

Personnel Expenses

Our personnel expenses increased by USD 122.4 million to USD 237.9 million for the year ended December 31, 2007 from USD 115.5 million for the same period in 2006. This increase in personnel expenses was principally due to the BRC acquisition on May 31, 2006, the Ingolstadt refinery acquisition on March 31, 2007, the Coryton refinery acquisition on May 31, 2007 and an increase in employees at headquarters which in turn resulted in an increase in salaries and related expenses.

Operating Expenses

Our operating expenses increased by USD 179.9 million to USD 319.2 million for the year ended December 31, 2007 from USD 139.3 million for the same period in 2006. The increase is primarily attributable to the BRC, Ingolstadt and Coryton acquisitions. The Company also experienced increases in the cost of energy and performed additional maintenance to keep safety and reliability a priority.

Depreciation and Amortization

Our depreciation and amortization expenses increased by USD 89.4 million, to USD 164.3 million for the year ended December 31, 2007 from USD 74.9 million for the same period in 2006. The increase is attributable to the additional depreciation associated with the BRC, Ingolstadt and Coryton acquisitions.

Other Administrative Expenses

Our other administrative expenses increased by USD 22.8 million to USD 59.3 million for the year ended December 31, 2007 from USD 36.5 million for the same period in 2006. This increase was partially due to increased insurance and information technology transition services associated with the acquisition of the BRC, Ingolstadt and Coryton refineries. Additionally, the company has incurred increased costs related to the development of our internal audit department, information technology support, licensing fees and higher corporate rental costs.

Financial Expense, Net

Our net financial expense decreased by USD 17.3 million to USD 68.2 million for the year ended December 31, 2007 from USD 85.5 million in the same period for 2006. The decreases in financial expenses were in relation to the repayment of our outstanding debt in 2006 and the associated write-off of deferred financing costs. The net financial expense in 2007 was mainly related to our issuance of USD 1.2 billion senior notes, borrowings under our working capital facilities and write-offs of capitalized refinancing expenses.

Foreign Currency Exchange Gains

Our foreign currency exchange results represented a gain of USD 1.8 million for the year ended December 31, 2007 as compared to a gain of USD 4.2 million in the same period for 2006. The gains in 2007 are primarily related to the revaluation of intercompany loans and the recognition of equity translation reserves in accordance with IAS 21 - *The Effects of Changes in Foreign Exchange Rates* due to the partial liquidation of a foreign entity.

Income Tax Expense

Our income tax expense was USD 8.3 million for the year ended December 31, 2007 compared to an expense of USD 25.1 million in 2006. Our effective tax rate of 9.2% for 2007 was reduced to 2.6% impacted by the release of a valuation allowance on a loss carry forward in connection with the Ingolstadt acquisition of approximately USD 20.8 million.

Liquidity and Capital Rescources

Cash Flows

The following table summarizes the cash flow activity for the periods indicated:

	For the year ended December 31,	
(in millions of USD)	2007	2006
Cash provided by / (used in) operating activities	484.8	(250.7)
Cash (used in) investing activities	(2,500.4)	(466.6)
Cash provided by financing activities	1,930.1	156.1
Net (decrease) in cash and short-term deposits	**(85.5)**	**(561.2)**
Net cash flows from discontinued operations	50.4	598.7
Net foreign exchange differences	6.0	(11.8)
Cash and short-term deposits at beginning of period	91.6	65.9
Cash and short-term deposits at end of period	**62.5**	**91.6**

Cash Flows from Continuing Operating Activities

Net cash flows provided by operating activities were USD 484.8 million for the year ended December 31, 2007 as compared to cash used of USD 250.7 million in the same period for 2006. Net income from continuing operations, excluding non-cash items contributed USD 490.3 million for the year ended December 31, 2007 versus USD 149.3 million in the same period for 2006. Post acquisition increases in inventory, trade and other receivables from the Coryton and Ingolstadt refineries were offset by similar increases in trade and other payables resulting in minimal effect from changes in working capital and provisions from continuing operations in 2007. Crude and product inventory on hand at December 31, 2007 was approximately 10.4 million and 12.1 million barrels, respectively, as compared to 4.7 million and 5.4 million barrels, respectively, at December 31, 2006.

Cash Flows from Continuing Investing Activities

Net cash flows used in investing activities were USD 2,500.4 million for the year ended December 31, 2007 as compared to net cash used in investing activities of USD 466.6 million in the same period for 2006. On March 31, 2007 and May 31, 2007 the Company completed the acquisitions of the Ingolstadt and Coryton refineries, respectively, which resulted in a net cash outflow of USD 688.8 million and USD 1,600.4 million, respectively. The remaining cash used in investing activities resulted primarily from routine purchases of property, plant and equipment in addition to turnaround activity at the BRC and Cressier refineries. Cash used in investing activities for the year ended December 31, 2006 was primarily driven by the acquisition of the BRC refinery.

Cash Flows from Continuing Financing Activities

Net cash flows provided by financing activities were USD 1,930.1 million for the year ended December 31, 2007 as compared to USD 156.1 million in the same period for 2006. In April 2007, the Company issued USD 1.2 billion in senior notes and completed a rights offering which resulted in net proceeds of USD 606.5 million. The funds from the senior notes were used to finance the Coryton acquisition. The proceeds from the equity offering were used to pay down borrowings under the working capital facilities. Prior period cash provided from financing activities is mainly attributable to proceeds received from the company's IPO in November 2006 and the subsequent repayment of all outstanding debt.

Net Cash Flows from Discontinued Operations

Net cash flows provided by discontinued operations were USD 50.4 million for the year ended December 31, 2007 as compared to USD 598.7 million for the same period in 2006. Proceeds in 2007 relate primarily to the sale of Dragon and Milford Energy Limited, in addition to the sale of Antol N.V. and Jelly BVBA. Both sales closed during the first quarter of 2007. Cash inflows in the prior year primarily relate to the sale of the majority of our non-core assets in 2006.

Capital Spending

We classify our capital expenditures, excluding acquisition expenditures, into four major categories:

Permit-related capital expenditures include capital expenditures for improvements and upgrades to our production facilities required by local authorities as a condition to the granting or renewal of the operating permits for our facilities. This includes process safety improvements, remediation of historical contamination, and installation of equipment to reduce emissions to the environment.

Sustaining capital expenditures include regular, non-permit related capital expenditures we incur to maintain our production facilities and keep them in good running order.

Turnaround expenditures include capital expenditures incurred in connection with planned shut downs to make necessary repairs, perform preventative maintenance, replace catalysts and implement capital improvements. Additionally, we incur expenditures that are directly related to capital improvements to equipment implemented during the turnarounds. We perform major scheduled turnarounds on each of our refineries generally every four years, with an intermediate, minor turnaround generally two years following each major scheduled maintenance turnaround.

Project-related capital expenditures include capital expenditures for improvements or upgrades to our production facilities that have been identified to provide significant gross margin returns. These projects are expected to either add capacity or increase product yields in higher value petroleum products. Information technology related projects are also in this category.

Our total capital expenditures, excluding acquisition expenditures, are summarized in the following table by major category for the periods indicated:

	December 31,	
(in millions of USD)	2007	2006
Permit related	41.9	17.2
Sustaining	63.5	35.1
Turnaround	59.7	11.6
Projects	35.0	11.5
Total capital expenditures	**200.1**	**75.4**

Information about our 2008 planned capital expenditures is discussed in "Outlook".

Summary of Indebtedness

Overview

The following table sets forth our financial indebtedness and cash balances as of December 31, 2007:

	December 31,	
(in millions of USD)	2007	2006
Term loan facilities	1,183.4	-
Working capital facilities	149.7	-
Total financial debt	1,333.1	-
Cash and short-term deposits	62.5	91.6
Net financial debt	**1,270.6**	**(91.6)**

Below is a summary of our credit facilities and other financing arrangements, including a description of our plans with respect to such facilities or arrangements.

Senior Notes

In April 2007, Petroplus Finance Limited, a subsidiary of the Company, issued USD 600 million, 6.75% senior notes due 2014 and USD 600 million, 7% senior notes due 2017 (together the "Notes"). The proceeds were used primarily to fund the acquisition of the Coryton refinery. The Notes are presented on the Balance Sheet as non-current interest bearing loans and borrowings reduced by capitalized financing costs. The capitalized financing costs of approximately USD 18.1 million are depreciated over 7 and 10 years.

Working Capital Facilities

Inventory Revolving Credit Facility

Certain of our subsidiaries are party to a USD 1.2 billion committed multi-currency secured revolving credit facility agreement (the "RCF") dated December 23, 2005 (as amended on July 13, 2007). The amended facility includes an option to increase the facility amount up to USD 2.0 billion on a pre-approved but uncommitted basis in connection primarily with increased working capital needs as a result of future acquisitions. Moreover the Company can obtain additional availability on an uncommitted basis under this facility. As of December 31, 2007, the Company had additional uncommitted lines under the RCF of USD 1.4 billion, bringing the total size of the RCF to USD 2.6 billion.

The RCF is available, subject to a working capital borrowing base, in the form of revolving loan advances, bank overdraft advances and certain payment instruments, including documentary letters of credit, standby letters of credit, letters of indemnity and bank guarantees. For the committed portion of the facility cash borrowings may not be more than 60% of the total amount of the RCF. These restrictions do not apply to the uncommitted portion of the facility. Bank overdrafts are limited to USD 100 million. Revolving loans and bank overdrafts under the RCF bear interest at a rate that is the aggregate of a margin of 1.0% per year and LIBOR (or, in relation to any revolving loan in Euro, EURIBOR) and any mandatory costs. This margin could be increased by 25 or 50 basis points if the ratio of total term borrowings to consolidated tangible net worth is more than 1 or 1.5, respectively. Commissions on payment instruments vary depending upon the instrument type. The borrowings under the RCF are jointly and severally guaranteed by certain of our subsidiaries and such borrowings are secured by certain assets of the borrowers and of the guarantors, the form of such security includes certain pledges of bank accounts, inventory, trade receivables, insurance and other assets. The RCF terminates on December 21, 2009.

The RCF contains covenants that restrict certain of our activities, including restrictions on creating or permitting to subsist certain security, engaging in certain mergers, sales or other disposal of certain assets, giving certain guarantees, making certain loans, incurring certain additional indebtedness, engaging in different businesses and amending or waiving certain material agreements.

The RCF Agreement also contains certain financial covenants, including covenants requiring us to maintain:

- a minimum consolidated tangible net worth of USD 650 million (EUR 500 million) plus 25% of our net income starting with 2007 net income, up to a maximum of USD 975 million (EUR 750 million); and
- a minimum ratio of EBITDA to net interest expense of 2.20:1, with such ratio increasing on December 31, 2007 to 2.5:1 until maturity.

Compliance with these covenants, including the calculation of EBITDA, is determined in the manner specified in the documentation governing the amended RCF.

As of December 31, 2007 the cash borrowings outstanding on this facility were USD 156.3 million.

Other Working Capital Facilities
Some of our subsidiaries have smaller working capital facilities available.

Liquidity
Our ability to pay interest and principal on our indebtedness and to satisfy our other debt obligations will depend upon our future operating performance and the availability of new and refinancing indebtedness, which will be affected by prevailing economic conditions and financial, business and other factors, some of which are beyond our control.

We believe that our cash flows from operations, borrowings under our existing credit facilities and other capital resources will be more than sufficient to satisfy the anticipated cash requirements associated with our existing operations during the next 12 months. To fund our planned acquisition of the two Shell refineries in France and the related supply and distribution assets, we intend to use cash on hand and debt. Our ability to generate sufficient cash from our operating activities depends on our future performance, which is subject to general economic, political, financial, competitive and other factors beyond our control. In addition, our future capital expenditures and other cash requirements could be higher than we currently expect as a result of various factors, including any acquisitions that we may complete.

Contractual Obligations

The following table summarizes our material contractual obligations and commitments as of December 31, 2007:

(in millions of USD)	Payment due by Period [1] Total	< 1 year	1 - 5 years	> 5 Years
Loans and borrowings	1,333.1	149.7	-	1,183.4
Finance lease obligations	33.7	2.6	10.4	20.7
Operating lease obligations	133.7	22.3	56.2	55.2
Sales obligations [2]	69.5	69.5	-	-
Purchase obligations [2]	11.4	11.4	-	-
Total	**1,581.4**	**255.5**	**66.6**	**1,259.3**

[1] Excludes the purchase price for our planned acquisition of the Petit Couronne and Reichstett Vendenheim refineries and related supply and distribution assets.

[2] Represents contractual obligations for future crude oil term sales and purchases. These obligations were calculated using information current as of December 31, 2007 and as such the actual commitment amount may vary. Variables such as crude oil price and volume requirements can cause the minimum obligations to change.

Outlook

The discussion below contains forward looking statements that reflect our current judgment regarding conditions we expect to exist and the course of action we expect to take in the future. Even though we believe our expectations regarding future events are based on reasonable assumptions, forward looking statements are not guarantees of future performance. Our assumptions rely on our operational analysis and expectations for the operating performance of our assets based on their historical operating performance, management expectations as described below and historical costs associated with the operations of those assets. Factors beyond our control could cause our actual results to vary materially from our expectations, which are discussed in the "Forward Looking Statement" and elsewhere in this document. The prospective financial information below is not fact and should not be relied upon as being necessarily indicative of future results, and you are cautioned not to place undue reliance on this prospective financial information. In addition, we do not currently own the Petit Couronne or Reichstett Vendenheim refineries and have not operated those facilities. As a result, the forecasted information relating to those refineries is entirely based on our analysis of information currently available to us, and, therefore, is subject to a higher level of uncertainty than information produced from our own internal sources.

The Acquisition of the Petit Couronne and Reichstett Vendenheim Refineries

In early August the Board of Directors approved and the Company signed a Letter of Intent to acquire the Petit Couronne and Reichstett Vendenheim refineries, located in France, with Shell International Petroleum Company Limited. The Petit Couronne Refinery and the Reichstett Vendenheim Refinery have total throughput capacities of 154,000 bpd and 85,000 bpd, respectively. The purchase price of both refineries is expected to be USD 475 million, plus the value of net working capital, which is expected to be approximately USD 400 million, based on the current crude price environment.

On November 8, 2007, Petroplus signed an irrevocable offer to purchase the Petit Couronne and Reichstett refinery assets. This offer allows the seller, Societe des Petroles Shell SAS, to consult with the French Works Council in connection with the transaction. Progress has been made on the Asset Purchase Agreement. Certain milestones were achieved during the fourth quarter of 2007 and early 2008, including approval from the European Commission and the receipt of advice from the staff councils at the refineries. Petroplus intends to enter into a partial processing agreement at the Petit Couronne refinery, whereby Petroplus will process material owned by Shell and provide a pre-determined set of products to Shell. Petroplus will be compensated for the processing of the raw materials and related operating expenditures through December 2008. Additionally, Petroplus intends to enter into certain agreements with Shell to supply Shell's France based retail and other businesses. The off-take agreements for the Reichstett refinery will provide for approximately 30% gasoline and middle distillates along with the bitumen produced. All products sold under the off-take agreements will be priced at market rates.

Subject to certain governmental approvals and the execution of a sale and purchase agreement, the transaction is expected to close early in the second quarter of 2008. Until the transaction is completed, Shell will continue to operate both refineries.

Market

We believe the market outlook for 2008 as a whole will be favorable for the European refining industry due to an increasingly tight worldwide supply and demand balance for refined petroleum products. We believe that the refining industry will perform well in 2008, absent any unexpected changes and subject to seasonality changes and assuming the supply and demand balance continues to stay in line with current conditions. While we expect refining margins to fluctuate, we believe that we are positioned in the industry to perform well under current and expected market conditions.

Refinery Operations

Overview

As discussed above under "Factors Affecting Operating Results", it is common practice in our industry to look to benchmark market indicators, such as our derived 5/2/2/1 benchmark refining margin for the Coryton refinery, 10/1/3/5/1 benchmark refining margin for the Ingolstadt refinery, 6/1/2/2/1 benchmark refining margin for the BRC refinery, 7/2/4/1 benchmark refining margin for the Cressier refinery, 5/1/2/2 benchmark refining margin for the Teesside refinery, and the 4/1/2/1 for the Petit Couronne and Reichstett refineries as proxy indicators of refining margins. To improve the reliability of the benchmark refining margins we have derived for our refineries (including pending acquisitions) as indicators of the refinery's actual refining margins, each refinery's benchmarks must be adjusted for the refinery's actual crude oil slate, which does not correspond to the 100% Dated Brent crude oil slate we have used in our derived benchmark refining margins; for variances from the benchmark product slate to the refinery's actual, or anticipated, product slate; and for any other factors not anticipated in the benchmark refining margin. These other factors include crude oil and product grade differentials, a rising or declining crude and products market pricing environment, fuel consumed during production, commodity price management, ancillary crude and product costs, such as transportation costs, storage costs and credit fees, and inventory fluctuations.

The throughput estimates set forth below assume that our refinery operations will experience no operating disruptions in 2008 other than scheduled maintenance shutdowns as described below.

Coryton Refinery
We expect the Coryton refinery's total throughput rate during the first quarter of 2008 to be approximately 170,000 bpd to 180,000 bpd. We expect the refinery's 2008 full-year total throughput rate will be approximately 200,000 bpd to 210,000 bpd.

Ingolstadt Refinery
We expect the Ingolstadt refinery's total throughput rate during the first quarter of 2008 to be approximately 90,000 bpd to 95,000 bpd. We expect the refinery's 2008 full-year total throughput rate will be approximately 100,000 bpd to 110,000 bpd.

BRC Refinery
We expect the BRC refinery's total throughput during the first quarter of 2008 to be approximately 90,000 bpd to 100,000 bpd. We expect the refinery's 2008 full-year total throughput rate will be approximately 100,000 to 110,000 bpd. This throughput rate reflects scheduled maintenance in the second quarter which is estimated to last approximately 30 days.

Cressier Refinery
We expect the Cressier refinery's total throughput rate during the first quarter of 2008 will be approximately 45,000 bpd to 50,000 bpd. We expect the refinery's 2008 full-year total throughput rate will be approximately 58,000 bpd to 63,000 bpd. This throughput rate reflects planned maintenance originally scheduled for the fourth quarter that has been brought forward into the first quarter. The maintenance activity lasted 11 days.

Teesside Refinery
We expect the Teesside refinery's total throughput rate during the first quarter of 2008 to be approximately 80,000 bpd to 90,000 bpd. We expect the refinery's 2008 full-year total throughput rate will be approximately 90,000 bpd to 95,000 bpd. This throughput rate reflects scheduled maintenance in the second quarter which is expected to last approximately 25 days.

Antwerp Processing Facility
With the expiration of the Litasco contract in the second quarter or 2007, the facility began to purchase heavier gasoils for processing into diesel. We expect with this change in operations along with expected tank rental income to see slightly positive results for 2008.

Petit Couronne Refinery
Based on our analysis of the Petit Couronne refinery's current configuration and operations, we expect the Petit Couronne refinery's throughput rate in 2008, post acquisition, will be approximately 120,000 bpd to 130,000 bpd.

Reichstett Refinery
Based on our analysis of the Reichstett refinery's current configuration and operations, we expect the Reichstett refinery's throughput rate in 2008, post acquisition, will be approximately 70,000 bpd to 80,000 bpd.

Other Revenues
We engage in other activities that generate revenue, primarily centered on storage requirements for strategic petroleum reserves throughout Europe. We estimate that we will generate approximately USD 30 million in additional revenue in 2008 from these activities, excluding those related to the Petit Courone and Reichstett refineries. We expect other revenues contributed by activities associated with the Petit Couronne and Reichstett acquisitions to be approximately USD 8 million for 2008.

Refinery Operating Expenses
Assuming the crude oil throughput levels set forth above, our annual refinery operating expenses in 2008 are expected to be about USD 550 million combined for the Coryton, Ingolstadt, BRC, Cressier and Teesside refineries, excluding those related to the Petit Couronne and Reichstett refineries. Based on our analysis of the Petit Couronne refinery's current configuration and operations, we estimate that its refinery operating expenses will be approximately USD 130 million for a full year of operations. Based on our analysis of the Reichstett refinery, we estimate that refinery operating expenses will be approximately USD 60 million for a full year of operations. These refinery operating expense estimates include refinery personnel expenses, energy costs, non capitalized maintenance costs and other refinery operating expenses.

Other Operating Expenses

We expect our other expenses, comprised of non refinery personnel and other administrative expenses, excluding any 2008 incentive compensation, to be approximately USD 110 million in 2008. Our non refinery personnel expenses are subject to increase in 2008 based on the number of our non refinery employees and our financial performance. Our bonus incentive compensation expense for 2008 will be based solely on our achievement of earnings per share results.

Depreciation and Amortization

We expect depreciation and amortization expenses to be approximately USD 230 million for 2008 excluding depreciation for the French refineries. This includes a full-year of depreciation of the Coryton and Ingolstadt refineries and nine months of depreciation for the French refineries. Our depreciation expenses will vary in future periods based on the completion and placing into service of our capital expenditure activity. We generally depreciate our capital activities, including those related to acquisitions (excluding goodwill), over a useful life of 20 years and our turnaround costs over a useful life between two and five years. We may be required to record impairment expenses from time to time in the future based on decreases in the fair value of our assets relative to their carrying costs.

Interest Expense

We expect that our net interest for borrowings under the working capital facilities will have a blended rate of the published LIBOR rate plus approximately 1.00%. As our financial position changes, this blended rate may increase or decrease depending on certain financial performance indicators used to set the interest rates under certain of our debt facilities. Additionally, the net interest expense associated with our USD 1.2 billion in high yield corporate bonds, of which USD 600 million is in a 7 year tranche with a fixed interest rate of 6.75% and USD 600 million is in a 10 year tranche with a fixed interest rate of 7.00%. In connection with financing our potential acquisitions, we expect that interest expense will increase based on future indebtedness.

Income Taxes

We expect our effective income tax rate for 2008 to be around 10% of our net income before income taxes excluding any nonrecurring events. Our effective income tax rate will vary as realized refining margins fluctuate. For example, if realized refining margins decrease our effective tax rate increases. Our effective income tax rate will also vary in connection with any acquisitions and disposals.

Capital Expenditures

We plan to fund our internal investments from cash on hand and internally generated cash flows.

Overview

We expect capital expenditures, excluding acquisitions, to be USD 260 million for the year ending December 31, 2008. We currently expect to spend USD 475 million, plus the value of net working capital, to complete the acquisition of the Petit Couronne and Reichstett refineries early in the second quarter of 2008. The following table summarizes our budgeted capital expenditures, excluding future acquisitions for the year ending December 31, 2008, by major category:

Planned capital expenditures

(in millions of USD)	2008 [1]
Permit-related	55.0
Sustaining	120.0
Turnaround	60.0
Projects	25.0
Total capital expenditures	**260.0**

[1] Excludes budgeted capital expenditures for the Petit Couronne and Reichstett refineries, which are estimated to be approximately USD 80 million for 2008.

Our 2008 capital expenditure plan includes the costs for compliance with EU requirements on renewable energy and the use of biofuels. We do not expect additional costs for the acquisitions of carbon credits as we currently have sufficient CO_2 emission credits across our refinery asset system.

Discretionary Capital Expenditure Plan and Estimated Synergies

Discretionary Capital Expenditure Plan
As previously disclosed in our 2006 annual report, we had expected to spend approximately USD 200 million on the discretionary capital expenditure program over three years that would generate approximately USD 100 million in EBITDA returns annually, thereafter. In 2007, we spent approximately USD 25 million primarily at BRC. The EBITDA returns expected from the completed project at BRC are approximately USD 40 million annually. The revised discretionary capital expenditure plan includes a USD 15 million program, which is expected to return approximately USD 10 million in EBITDA in 2008. The only return project, previously included in the 2007 plan, will cost approximately USD 15 million and relates primarily to the diesel maximization project at the Ingolstadt refinery. The project is expected to be completed during 2008 and will generate expected EBITDA returns of approximately USD 10 million annually post completion. The reductions to the 2007 program primarily relate to the USD 100 million for Teesside projects and the Cressier projects.

After our completion of the Petit Couronne and Reichstett acquisitions, our discretionary capital expenditures will be subject to review and further evaluation.

Estimated Synergies
As previously disclosed in our 2006 annual report, we expect to achieve approximately USD 60 million, on an EBITDA basis, in synergies from our North Sea System. The synergies are based upon the maximization of the refining capabilities of each of our assets through an interchange of intermediate feedstocks and products that should incrementally increase our yield of middle distillates. In 2007, we began to realize these synergies via an interchange at the BRC refinery and our Antwerp processing facility. The full annual impact of the transactions will be seen in 2008. Although some of the transactions as previously outlined, in our 2006 annual report, as synergies have been modified or replaced, as a result of market conditions and optimization plans, we still expect to achieve approximately USD 60 million on an EBITDA basis in synergies from our North Sea System in 2008.

Quantitative and Qualitative Disclosure About Market Risk

General
The risks inherent in our business are the potential loss from adverse changes in commodity prices and certain operating costs, as well as exchange rates, interest rates, counterparty and operational risks.

Commodity Price Risk
Our earnings, cash flow and liquidity can be significantly affected by a variety of factors beyond our control, including the supply of crude oil and other feedstocks and the demand for gasoline, diesel and other refined petroleum products. The demand for these commodities depends upon, among other factors, changes in global and regional economies, seasonal buying patterns, weather conditions, regional and global political affairs, planned and unplanned downtime in refineries, pipelines and production facilities, the amount of new refining capacity, the marketing of competitive fuels and the extent of government regulation. Our revenues fluctuate significantly with movements in the price of refined petroleum products, our cost of sales fluctuate significantly with movements in crude oil and other feedstock prices and our operating expenses fluctuate with movements in the price of electricity.

Our results are also sensitive to the fluctuations in electricity prices and other fuel costs due to the use of electricity and other fuels to power our refinery operations.

Foreign Currency Exchange Rate Risk
Overview
Our financial condition and results of operations are exposed to two types of risk related to foreign currency exchange rates: translation and transaction risk. We are exposed to translation risk because a significant percentage of our revenues and expenses are realized and incurred in currencies other than the US dollar, which is our presentation currency. We are also exposed to translation risk because certain of our assets and liabilities are denominated in currencies other than the US dollar. We are exposed to transaction risk because our revenues and costs, as well as the debt and receivables related to such transactions, are denominated in US dollars as well as Euros, Swiss Francs and British Pounds.

Translation Risk
Substantial portions of our revenues and operating expenses are recorded in Euros, Swiss Francs and British Pounds and

then translated into US dollars for inclusion in our Financial Statements. Thus, a decline in the value of the Euros, Swiss Franc or British Pound against the US dollar will have a negative affect on our revenues as reported in US dollars. Conversely, a decline in the value of the Euro, Swiss Francs or British Pounds against the US dollar will have a positive effect on our expenses as reported in US dollars.

Transaction Risk

We are exposed to transaction risk because our revenues and expenses are denominated not only in US dollars but also in Euro, Swiss Francs and British Pounds. Accordingly, the relative movements of the exchange rate of the US dollar against any of these non-US dollar currencies can significantly affect our results of operations.

Interest Rate Risk

As of December 31, 2007, we had USD 156.3 million in outstanding borrowings under our working capital facility. As we borrow in the future on our working capital facility we will be subject to interest rate risk, as all of these borrowings bear floating rates of interest.

Credit Risk

Credit risk arises from the potential failure by a counterparty to meet its contractual obligations. We are exposed to credit risk primarily in connection with commercial transactions, investments and plant maintenance contracts. Our policy is to manage these risks by setting credit risk limits for selected counterparties, based, among other things, on the credit rating and our review of the counterparty, the duration of the exposure and monetary amount of the credit risk exposure. In addition, our trade debtor portfolio principally consists of strong players in world markets, including major oil companies. For sales of petroleum products, we also make extensive use of bank guarantees, letters of credit, or similar credit mitigation instruments.

Risks Relating to Our Business and Our Industry

The Company is subject to various risks relating to changing economic, political, legal, social, competitive, industry, business and financial conditions. The main risks to the Company's objectives are described below:

Refining margins significantly impact our profitability and cash flow. Crude oil prices, refined petroleum product prices, refining margins and our results of operations have fluctuated significantly in the past.

As an oil refiner, our results are primarily affected by the differential between refined petroleum product prices and the prices of crude oil used for refining. This price differential, once direct costs are subtracted, constitutes our refining margin. This means we will not generate operating profit or positive cash flow from our refining operations unless we are able to buy crude oil and sell refined petroleum products at margins sufficient to cover the fixed and variable costs of our refineries. Although the strong demand for crude oil and refined petroleum products during recent years has contributed to high refining margins, it is possible that refining margins will decrease in the future due to factors beyond our control. A decrease in refining margins could have a material adverse effect on our business, results of operations and financial condition.

Historically, refining margins have fluctuated substantially. Refining margins are influenced principally by supply and demand for crude oil and refined petroleum products, which in turn determine their market prices. Other factors, in no particular order, that may have an impact on prices and refining margins include:

- changes in global economic conditions, including exchange rate fluctuations;
- changes in global and regional demand for refined petroleum products;
- market conditions in countries in which we refine or sell our refined petroleum products and the level of operations of other refineries in Europe;
- aggregate refining capacity in the global refining industry to convert crude oil into refined petroleum products, including those we refine;
- changes in the cost or availability of transportation for crude oil, feedstocks and refined petroleum products;
- availability of price arbitrage for refined petroleum products between different geographical markets;

– political developments and instability in petroleum producing regions such as the Middle East, Russia, Africa and South America;
– the ability of the Organization of Petroleum Exporting Countries ("OPEC") and other petroleum producing nations to set and maintain oil price and production controls;
– seasonal demand fluctuations;
– expected and actual weather conditions;
– to the extent unhedged, changes in prices from the time crude feedstocks are purchased and refined petroleum products are sold;
– the extent of government regulation, in particular as it relates to environmental policy, fuel specifications and energy taxes;
– the ability of suppliers, transporters and purchasers to perform on a timely basis, or at all, under their agreements (including risks associated with physical delivery);
– price, availability and acceptance of alternative fuels; and
– terrorism or the threat of terrorism that may affect supply, transportation or demand for crude oil and refined petroleum products.

Disruption of our ability to obtain crude oil and other feedstocks could reduce our margins and results of operations.

We require crude oil and other feedstocks to produce refined petroleum products. We purchase our crude oil primarily on the spot markets from, among others, oil majors, crude oil marketing companies and independent producers. Crude oil supply contracts are generally short-term contracts. Further, a significant portion of our crude oil is supplied from the North Sea, Africa, the Middle East, Russia and Kazakhstan and we are subject to the political, geographic and economic risks attendant to doing business with suppliers located in those regions, such as labor strikes, regional hostilities and unilateral announcements by any of the countries within these regions that some or all oil exports for a specified period of time will be halted. In the event that one or more of our supply contracts is terminated, we may not be able to find alternative sources of supply. Moreover, unlike certain of our competitors that have their own oil exploration and production operations, we are dependent on third parties for continued access to crude oil and other raw materials and supplies at appropriate prices. If we are unable to obtain adequate crude oil volumes or are only able to obtain such volumes at unfavorable prices, our margins and our other results of operations could be materially adversely affected. Further, we may be subject to governmental restrictions on our purchases of certain crude oil because of economic sanctions against the government of the country that is the source of the crude oil, which may result in higher costs or the lack of availability of crude oil.

We are dependent on certain third party suppliers for the provision of services that are necessary for our refineries' operations. If third parties are unable to perform under our contracts with them or cancel these contracts, we may be unable to operate our refineries or deliver refined products to customers.

Each of our refineries is dependent on receiving a steady and adequate supply of electricity and water provided by local utility companies. Any disruptions in these utilities, such as a power grid failure, could force us to shut down the affected refinery and have a material adverse effect on our results of operations, financial condition and cash flows.

Our Coryton refinery, through BP's arrangements for accessing the pipeline, transports its refined products via the UKOP operated by BPA. In addition, the refinery currently transports jet fuel via GPSS, a government-owned pipeline system dedicated to jet fuel that is operated by the OPA. If we are unable to transport refined petroleum products from the Coryton refinery through the UKOP or GOSS, we will have to implement transportation alternatives.

Our Ingolstadt refinery relies solely on the 465-kilometre-long portion of the TAL pipeline system for the delivery of its crude from the port city of Trieste, Italy. In connection with the acquisition, we entered into a five-year contractual arrangement with TAL for transportation via the TAL pipeline system. If we are unable to transport crude oil to the Ingolstadt refinery through this arrangement, we will need to utilize transportation alternatives. The cost of these alternatives would likely be significantly higher than pipeline transportation costs over the TAL pipeline system and could have a material adverse effect on our business, results of operations and financial condition.

Our Cressier refinery receives all of its crude oil feedstock from Fos-sur-Mer through the SPSE, SFPLJ and OJNSA spurs. When we acquired the Cressier refinery in 2000, we entered into a contract with the SPSE pipeline company to transport oil from Fos-sur-Mer to our pipeline connection point in France. This contract is terminable by SPSE in certain circumstances on 24-months' notice. We do not have throughput arrangements for the SFPLJ and OJNSA pipeline spurs from the French border to the Cressier facility as they are 100% and 80% owned by us, respectively. If we are unable to transport crude oil to our Cressier refinery through our existing pipeline arrangements, we will have to implement transportation alternatives. The cost of these alternatives would likely be significantly higher than our current pipeline transportation costs.

Our Teesside refinery is dependent on the adjacent SABIC petrochemicals facility for the supply of key utilities, including hydrogen and nitrogen, power from the local utilities grid and effluent treatment in the SABIC wastewater treatment plant; the provision of crude storage capacity; and for the use of the SABIC jetty for loading refined products for delivery to customers. Most of the agreements covering these services are terminable by SABIC with 12-months' notice. If SABIC were to terminate these agreements, or if SABIC were to become insolvent, our Teesside refinery may have to shut down until it is able to find alternative local suppliers willing to provide these services. There may be no other local suppliers that are able to provide these services. Even if local suppliers were available, there can be no assurance that such suppliers would be able to supply the Teesside refinery with the quantity and quality of the services that it requires or that the refinery would not be required to shut down while the necessary infrastructure for providing these services was constructed. In addition, the terms of the alternative supply arrangements may contain prices that are unfavorable to us.

If any of our service arrangements with TAL, SABIC, the SPSE pipeline, or our service arrangements with BP in relation to the UKOP or the GPSS are terminated, this could have a material adverse effect on our business, results of operations, financial condition, and cash flows. Moreover, to the extent our customers require us to deliver our products by specified delivery dates and we fail to do so because we are not able to make alternative service arrangements, we may incur penalties. Such delays could also damage our reputation with customers.

Our business is subject to significant environmental regulations and environmental risks.

Like those of other European oil refiners, our operations are subject to numerous EU, national, regional and local environmental laws and regulations, including legislation that implements international conventions or protocols. In particular, these laws and regulations restrict the types, quantities and concentration of various substances that can be released into the environment in connection with production activities and impose administrative sanctions and criminal and civil liabilities for pollution. These laws and regulations also restrict emissions and discharges to water resulting from the operation of refineries and other facilities that we own and operate, as well as establishing standards for the composition of gasoline, diesel fuel and other petroleum products. In addition, our operations are subject to laws and regulations relating to the generation, handling, transportation, sale, storage, disposal and treatment of materials that may be considered to be contaminants when released into the environment.

Environmental laws and regulations that affect our operations, processes and margins have become and are becoming increasingly stringent. If we violate or fail to comply with these laws and regulations, we could be fined or become liable for remediation costs or subject to other sanctions. In addition, the regulatory authorities could suspend our operations or refuse to renew the permits and authorizations we require to operate. They could also mandate upgrades or changes to our processes that could have a significant impact on cost.

We need a variety of permits to conduct our operations. We must comply with our permits and renew those permits to operate our facilities. In addition, failure to comply with our permits could subject us to civil penalties, criminal sanctions and closures of our facilities. Last year we successfully renegotiated our permit at Teesside and we are currently in the process of renewing the permit for our Coryton refinery. We expect to be required to carry out various improvements and upgrades in connection with the renewal of the Coryton permit, in addition to the investment and upgrading programs we are required to undertake as a condition attached to the recent permit renewals for our BRC and Teesside refineries and our Antwerp processing facility.

Sites at which we operate have a long history of industrial activities and may be, or have been in the past, engaged in activities involving the use of materials and processes that can give rise to potential liabilities in respect of remediation. Potential liabilities can also arise in relation to land previously owned by companies or refineries that we have acquired but where such land was sold prior to our acquisition of those companies or refineries. With respect to our acquisitions, we cannot assure you that our due diligence investigations identified or accurately quantified all material environmental matters and contingencies relating to acquired facilities. In addition, environmental indemnities given to us by sellers typically contain thresholds and other limitations as to the aggregate amount of the sellers' obligations. Consequently, we may be required to expend considerable amounts to remediate pre-existing environmental contamination or conditions at sites we have acquired.

We have identified soil and groundwater contamination at our sites and are undertaking measures to address the identified contamination, in consultation with regulatory authorities where necessary. For example, we have budgeted expenditures at four of our existing refineries and our Antwerp processing facility relating to known contamination, and we may need to make additional expenditures, which could be significant, to comply with environmental laws and regulations. In response to an investigation by the Belgian authorities, we submitted a ten-year remediation report to the national regulators for the Antwerp processing facility and the proposed measures were accepted by the regulators. Upon preliminary review of work which had been completed it was determined that more extensive work would be necessary. We are in the process of updating the plan and, dependent on the nature of the changes, submission to the Belgian authorities. The Belgian authorities have not yet responded to our orienting plan in respect of the other site at the Antwerp processing facility, and we cannot assure you that this plan will be accepted in its current form or at all. The expected cost for the remediation required at the Antwerp facilities is approximately USD 6.2 million. Similarly, we will need to make expenditures, which could be significant, to address soil and groundwater contamination at the BRC refinery, for which we recorded a provision of USD 24.5 million as of December 31, 2007. We have provided the authorities with an initial orienting report regarding the contamination but have not yet received a response to the report.

The risk of significant environmental remedial liability is inherent to our business. No assurance can be given that such liability will not arise in the future as a result of the application of present or future laws and regulations to existing contamination, whether presently detected or otherwise, or misinterpretation of data regarding such contamination, or future contamination of any of our sites or otherwise arising out of our activities and operations.

We are subject to regulations of the European Union in regards to carbon dioxide emission. We did not purchase carbon dioxide credits in the market during 2007, nor were we levied any fines or experience any operational disruption due to carbon dioxide emissions.

In addition to liability for remediation costs and regulatory noncompliance, we may be liable under common law, e.g. negligence and/or nuisance, for the environmental impact of our operations on third parties. We could also be subject to liabilities to third parties that include, without limitation, liabilities for crude oil or refined petroleum product spills, discharges of hazardous materials into the soil, air and water and other environmental liabilities. Compensation to third parties, as well as other liabilities mentioned, may involve significant costs. Any such payments could reduce or eliminate the funds available for financing our normal operations and planned development or result in the loss of our properties. We cannot assure you that discharges of hazardous materials will not occur in the future or that third parties will not assert claims against us for damages allegedly arising out of any past or future contamination.

Stricter environmental, health and safety laws and enforcement policies could result in substantial costs and liabilities for us, and could result in our handling, manufacture, use, reuse or disposal of substances or pollutants being subjected to more rigorous scrutiny by relevant regulatory authorities than is currently the case. Compliance with these laws could result in significant capital expenditures as well as other costs and liabilities, thereby harming our business. For example, the new system in the EU for registration, evaluation and authorization of chemicals (known as REACH) is expected to be among the most significant environmental issues affecting our operations in the future. We will be impacted by REACH, both as a high-volume manufacturer of petroleum substances as well as in our role as a downstream user of other substances. Another example of the need to comply with more demanding regulation concerns the current process which is underway to require stricter emission level values for emissions in the environment at our Ingolstadt refinery.

In addition, we cannot assure you that we will be able to meet future refined product standards that may be introduced by the EU or other relevant jurisdictions or that we will have sufficient funds to make the necessary capital expenditures to produce products that comply with future specifications and regulations.

We must comply with health and safety regulations at our facilities and failure to do so could result in significant liability and / or fines and penalties.

Our activities are subject to a wide range of EU, national, provincial and local occupational health and safety laws and regulations in each jurisdiction in which we operate. These health and safety laws are constantly changing, as are the priorities of those who enforce them. Failure to comply with these health and safety laws could lead to criminal violations, civil fines and changes in the way we operate our facilities which could increase the costs of operating our business.

A significant interruption or casualty loss at any of our refineries could reduce our production, particularly if not fully covered by our insurance.

Our operations could be subject to significant interruption if any of our refineries or our processing facility were to experience a major accident, be damaged by severe weather or other natural disaster or otherwise be forced to shut down or curtail production due to unforeseen events, such as acts of God, nature, power outages, fires and acts of terrorism. Any such shut-down would reduce the production from that refinery. For example, a fire forced the Coryton refinery, which we acquired in May 2007, to shut down the Pentane Isomerization and related units for several weeks in the fourth quarter of 2007. There is also risk of mechanical failure and equipment shut-downs both in general and following unforeseen events. Further, in such situations, undamaged refinery processing units may be dependent on or interact with damaged sections of our refineries and, accordingly, are also subject to being shut down. In the event any of our refineries are forced to shut down for a significant period of time, or if any of the above events were not fully covered by our insurance, this would have a material adverse effect on our results of operations and financial condition.

We may be exposed to economic disruptions in the various countries in which we operate and in which our suppliers and customers are located. These disruptions could adversely affect our operations, tax treatment under foreign laws and our financial results.

Although we operate primarily in the United Kingdom, Germany, Belgium, and Switzerland our operations extend beyond these countries. We export refined petroleum products to certain other areas, including the Netherlands, Africa and North America. Additionally, we purchase the crude oil that we refine predominantly from the North Sea, Africa, the Middle East, Russia and Kazakhstan. Accordingly, we are subject to legal, economic and market risks associated with operating internationally, purchasing crude oil and supplies from other countries and selling refined petroleum products to them. These risks include:

- interruption of crude oil supply;
- devaluations and fluctuations in currency exchange rates;
- imposition or increase of withholding and other taxes on remittances by foreign subsidiaries;
- imposition of trade restrictions or embargoes against certain states, preventing us from buying crude oil and other feedstock from, or selling products to these states;
- imposition or increase of investment and other restrictions by foreign governments;
- failure to comply with a wide variety of foreign laws; and
- unexpected changes in regulatory environments and government policies.

Our international operations also expose us to different social, political and business risks in each jurisdiction. For example:

- we will need to comply with varying union and collective bargaining agreements in a number of locations;
- we will have to implement local solutions to manage credit risks of local customers;
- our profitability will be affected by fluctuations in currency exchange rates; and
- we may be faced with political, social and labor instability that could disrupt or increase the cost of our operations.

We cannot assure you that we will develop and implement systems and policies that enable us to operate profitably, or at all, in all of the locations where we do business.

As our Company operates in multiple jurisdictions, we may be subjected to changes in tax law and/or practice, which potentially represent a risk to our tax planning for the Company.

We are subject to taxation in multiple jurisdictions and are faced with increasingly complex tax laws. The tax laws in these jurisdictions may change or be subject to differing interpretations, possibly with retroactive effect, including the imposition of substantially higher taxes, which could have a material adverse effect on our liquidity and results of operations. Any changes in law or regulations, or a failure to comply with any such laws or regulations, may adversely affect our performance. Because these future changes are unpredictable, we may have difficulty in future tax planning. In addition, taxing authorities could review and question our tax returns leading to additional taxes and penalties that could be material.

A substantial portion of our workforce is unionized, and we may face labor disruptions that would interfere with our refinery operations.

Our operations may be affected by labor disruptions involving our employees and employees of third-party service and product suppliers. The majority of our refinery employees are represented by trade unions under collective bargaining agreements, which are generally renegotiated every two years. While our relationships with the trade unions representing our employees in Germany, Belgium and the United Kingdom are normal, negotiations with these unions have, at times, been difficult. The Cressier refinery in Switzerland was affected by a third-party work stoppage at the Port of Marseilles in September 2005, which forced the refinery to run at lower rates with suboptimal crude oils for approximately 15 days. We may be affected by strikes, lockouts or other significant work stoppages in the future, any of which could adversely affect our business, financial condition or results of operations.

Critical Accounting Judgments and Estimates

The preparation of our Financial Statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, and provide a basis for making judgments about the carrying value of assets and liabilities that are not readily available through open market quotes. Estimates and assumptions are reviewed periodically, and actual results may differ from those estimates under different assumptions or conditions. We must use our judgment related to uncertainties in order to make these estimates and assumptions.

We have summarized below our accounting estimates that require more subjective judgment by our management in making assumptions or estimates regarding the effects of matters that are inherently uncertain and for which changes in conditions may significantly affect the results in our Financial Statements.

Useful Lives of Property, Plant and Equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events. The actual useful life might be different from the estimated useful life.

Forward Purchase and Sale Commitments

We enter into forward purchase and sales contracts for crude oil procurement and to deliver refined products to distributors and end customers. We have determined that these contracts do not meet the criteria of a derivative financial instrument according to International Accounting Standards ("IAS") 39 Financial Instruments: Recognition and Measurement. This is due to management's determination that the function of these activities is to supply crude oil to the refineries and to deliver refined products to distributors and end customers.

Environmental Costs

We provide for costs associated with environmental remediation obligations when such costs are probable and can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change. Costs of future expenditures are not discounted to their present value, as the timing of cash payments can not be reliably determined.

Deferred Tax Assets on loss carry forwards and tax credits

Deferred tax assets are recognized to the extent that it is probable that there will be future taxable income against which the loss carry forward and tax credit can be utilized. The valuation of future taxable income depends on assumptions that can change through time, with the possibility of significant differences in management's final valuation of deferred income tax. Judgment is required when determining the key assumptions used in the assessment and changes to the assumptions can significantly affect the outcome of the assessment.

Valuation of Costs in Determining First-in, First-out ("FIFO") Inventory

In determining the costs of our crude oil and refined petroleum products in inventory, management must make certain assumptions and estimates in order to develop the production cost of our refined petroleum products. While crude oil valuation is directly attributed to relevant purchase contracts and freight costs, the value of the refined products cost is built up by identifying the appropriate crude oil cost. Additional factors considered include yield of the refinery, market crack levels and the relevant operating and fixed overheads for the stated month of production. Management periodically reassesses its assumptions and estimates, and judgment is required when determining the assumptions. Changes to these assumptions and estimates can significantly affect the outcome of the value of the oil products.

Impairment of Assets

In accordance with IAS 36 *Impairment of Assets,* at each balance sheet date, the Company performs an assessment to determine whether there are any indications of impairment. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets. Based on management's assessment, there were no indications of impairment at year end.

Finance Lease Commitments

We have a contract with a third party to provide hydrogen to our Cressier refinery; in the course of evaluating that contract under IFRIC 4 *Determining Whether an Arrangement Contains a Lease,* we have determined that contract to be a finance lease.

Corporate Governance

Corporate Governance

Introduction and Principles

Petroplus is fully committed to meeting high standards of corporate governance. We comply with the standards established in the "Swiss Code of Best Practice for Corporate Governance", effective July 1, 2002, and the "SWX Swiss Exchange Directive on Information Relating to Corporate Governance" ("DCG"), effective July 1, 2002 and amended January 1, 2007 for business years beginning on that date.

Group Structure and Shareholders

Group Structure

Petroplus Holdings AG ("Petroplus", "us", "our", "we" or the "Company") is a holding company organized under Swiss Law with its legal domicile at Industriestrasse 24 in 6300 Zug, Switzerland. Upon completion of the disposal of non-core assets that took place in 2005 and 2006, the Company has concentrated its business activities solely on refining crude oil and the marketing of those refined products. See Note 4 of the Consolidated Financial Statements for detailed segment information.

All major group companies are set out in the list of subsidiaries in Note 33 of the Consolidated Financial Statements. None of the subsidiaries of Petroplus Holdings AG have their shares listed on the SWX Swiss Exchange or any other stock exchange worldwide.

However, Petroplus Finance Ltd., Bermuda, a subsidiary of Petroplus, has issued USD 600 million 6.75% Senior Notes due 2014 and USD 600 million 7% Senior Notes due 2017. The debt securities are listed on the Irish Stock Exchange in the Debt Securities Segment.

Petroplus registered shares (Symbol: PPHN) are traded in the main market of the SWX Swiss Exchange (ISIN: CH0027752242). The market capitalization at year-end was CHF 6.0 billion or approximately USD 5.4 billion.

Neither, Petroplus Holdings AG nor any of its subsidiaries, held treasury shares at December 31, 2007.

Significant Shareholders

According to the information received by the Company, the following shareholders reported shareholdings above 3% of share capital and potential voting rights. The following list shows the existing shareholdings as of December 31, 2007.

For all transactions reported to us since the first day of our listing on the SWX, we refer to our website www.petroplusholdings.com (see section Investors - News - Regulatory Disclosures).

Shareholder	Ownership in Shares	Ownership in potential shares [1]	Total Ownership
FMR Corp., USA [2]	11.74%	-	11.74%
Thomas D. O'Malley, USA [3]	2.92%	2.90%	5.82%
UBS AG, Switzerland [4]	4.27%	1.35%	5.62%
Chilton Investment Company LLC, USA [5]	3.95%	-	3.95%
JGD Management Corporation, USA [6]	3.06%	-	3.06%

[1] Represents the potential ownership, held through financial instruments other than registered shares of Petroplus Holdings AG and calculated based on the requirements set out in Article 9 et seq. of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading ("SESTO-FBC").

[2] FMR Corp., a company located in Boston, USA, is the parent company of Fidelity Management & Research Company, an investment manager for US mutual funds, and Fidelity Management Trust Company, a US state charterd bank which acts as a trustee or investment manager for various pension and trust accounts. The increase of shareholdings above 10% was reported to the Company on February 20, 2007.

[3] Thomas D. O'Malley is the Chairman and CEO of the Company. The shareholding was reported on July 5, 2007.

[4] UBS AG, located in Zurich, Switzerland, holds directly and through its subsidiaries shares and options with potential voting rights of total 5.62% as reported to us on July 5, 2007. UBS AG is an international investment bank and provider of financial services.

[5] Chilton Investment Company, LLC located in Stamford, Conneticut, USA, is an international investment group and institutional investment manager. The holdings exceeded 3% on December 27, 2007 according to notification received by the Company on January 3, 2008.

[6] JGD Management Corp, located in New York, USA, has reported, through their funds and managed accounts, their ownership of 3.06% in shares of Petroplus Holdings AG. JGD Management Corp is an international investment group and institutional investment manager. The holdings exceeded 3% on October 18, 2007 for the first time.

To the best of the Company's knowledge, no other shareholder holds 3% or more of Petroplus Holdings AG voting and potential voting rights as at December 31, 2007. Additionally, Petroplus is not aware of any shareholder agreements.

Cross-Shareholdings

There are no cross-shareholdings of Petroplus with another company or group of companies outside of the Petroplus group.

Capital Structure

Capital

The Company's share capital at December 31, 2007 was CHF 630,129,879 and is divided into 68,641,599 registered shares with a par value of CHF 9.18 each. The share capital is fully paid.

Authorized and Conditional Capital

Authorized Capital
The Board of Directors ("BoD") is, according to article 5 of the Articles of Association, authorized to increase the share capital, at any time between November 29, 2006 and November 29, 2008, by a maximum amount of CHF 90,590,994 by issuing a maximum of 9,868,300 registered shares with a nominal value of CHF 9.18 each. The BoD is entitled to issue these shares by means of a firm underwriting or in partial amounts. The maximum amount of the authorized capital will be reduced by the amount used in a capital increase out of conditional capital, according to article 6a of the Articles of Association, in connection with bonds or similar debt instruments as described below.

The BoD is authorized to determine the issue date, the issue price, the manner in which the new shares have to be paid, the date from which they carry the right to dividends and the allocation of unexercised preemptive rights. Shares that are subject to preemptive rights are to be sold at market conditions to the extent rights are not exercised.

The BoD is authorized to exclude or restrict the preemptive rights of the shareholders provided that the new shares are to be used either for the takeover of enterprises by way of exchange of shares or for granting an over-allotment option (greenshoe) of up to 20% of the new shares to the joint lead managers in connection with a placement of shares at market price.

In addition, the BoD is, according to article 5a of the Articles of Association, authorized to increase the share capital, at any time between May 9, 2007 and May 8, 2009, by a maximum amount of CHF 137,700,000 by issuing a maximum of 15,000,000 registered shares with a nominal value of CHF 9.18 each. The BoD is entitled to issue these shares by means of a firm underwriting or in partial amounts.

The BoD is authorized to determine the issue date, the issue price, the manner in which the new shares have to be paid, the date from which they carry the right to dividends and the allocation of unexercised preemptive rights. Shares that are subject to preemptive rights are to be sold at market conditions to the extent rights are not exercised.

The BoD is authorized to exclude or restrict the preemptive rights of the shareholders provided that the new shares are to be used for the takeover of enterprises by way of exchange of shares or for the financing of the takeover of enterprises, of parts of enterprises or of participations or the financing of new investment projects of the company, or in the case of a national or international private or public placement of shares in order to finance such transactions, or for granting an over-allotment option (greenshoe) of up to 20% of the new shares to the joint lead managers in connection with a placement of shares at market price.

Conditional Capital
As of December 31, 2007, Petroplus Holdings AG's conditional share capital amounted to CHF 135,591,363, divided into 14,770,301 fully paid registered shares with a nominal value of CHF 9.18 each, pursuant to which 4,902,001 of registered shares will be available for issuing under the exclusion of shareholders' pre-emptive rights to directors, employees and consultants of Petroplus Holdings AG and its subsidiaries exercising option rights granted to them under employee participation plans or shareholders exercising the 2,420,134 options granted to them (see article 6 of the Articles of Association and section "Convertible bonds, warrants and options" below) and up to 9,868,300 registered shares will be available for issuing through the exercise of warrants and/or notes granted in connection with bonds or similar debt instruments or options granted by Petroplus Holdings AG (see article 6a of the Articles of the Association). These 9,868,300 registered shares will be reduced by the amount used in a capital increase out

of authorized capital according to article 5 of the Articles of Association as described above.

In connection with the issuance of convertible or warrant-bearing bonds or any similar debt instruments, the BoD is authorized to restrict or exclude the rights of advanced subscription of existing shareholders and allocate such rights to third parties to finance or refinance the acquisitions of enterprises or divisions thereof, or of participations, or of new investment plans of Petroplus Holdings AG, or to issue warrants or convertible bonds on national or international capital markets.

Changes of Capital

The changes to Petroplus Holdings AG's share capital that have taken place since its incorporation on February 20, 2006 until December 31, 2007 are described as follows:

Petroplus Holdings AG (formerly Argus Atlantic Energy Ltd. or "Argus") was incorporated in Bermuda on February 20, 2006 with an authorized share capital of USD 48,000 comprising 4,800,000 common shares of par value USD 0.01 per share. On February 22, 2006, the authorized share capital was increased from USD 48,000 to USD 2,000,000, of which USD 48,000 comprised 4,800,000 common shares of par value USD 0.01 per share that were issued on that day.

On July 28, 2006 the share capital of Argus was consolidated on the basis of one share at USD 7.50 par value for every 750 shares of USD 0.01 par value leaving the issued share capital unchanged at USD 48,000, resulting in 6,400 issued common shares of par value USD 7.50 each. Immediately following the consolidation, 137,600 bonus shares of par value USD 7.50 were issued out of the authorized share capital, resulting in a total issued share capital of USD 1,080,000, consisting of 144,000 common shares of par value USD 7.50 each.

On August 1, 2006, Argus' authorized share capital was increased from USD 2,000,000 to USD 750,000,000, out of which USD 15,558,375 comprised 2,074,450 common shares at par value USD 7.50 per share which were issued on the same day, leading to a total issued share capital of USD 16,638,375, consisting of 2,218,450 common shares at par value USD 7.50 each.

On August 21, 2006, Argus' issued share capital was increased from USD 16,638,375 to USD 302,524,500 by issuing 38,118,150 common shares of par value USD 7.50 out of Argus' authorized share capital. These 38,118,150 common shares were issued to RIVR Holding B.V. in exchange for shares in RIVR Acquisition B.V. Upon its migration to Switzerland on August 22, 2006, Argus' issued share capital amounted to USD 302,524,500, consisting of 40,336,600 common shares.

When registered in Switzerland, the existing share capital was converted from US dollars into Swiss Francs, resulting in an issued share capital of CHF 370,289,988, divided into 40,336,600 fully paid registered shares with a nominal value of CHF 9.18 each.

Pursuant to a shareholders' resolution adopted at an extraordinary shareholders' meeting held on November 29, 2006, the share capital of Petroplus Holdings AG was increased on November 29, 2006 by CHF 165,240,000 from CHF 370,289,988 to CHF 535,529,988 through the issuance of 18,000,000 shares with a nominal value of CHF 9.18 each. The existing shareholders waived their preemptive rights and the share capital increase was registered in the Commercial Register of the Canton of Zug, Switzerland, on November 29, 2006.

On December 5, 2006, the over-allotment option granted in connection with the Initial Public Offering ("IPO") was fully exercised and resulted in an additional issuance of 2,700,000 registered shares with a nominal value of CHF 9.18 each out of the authorized capital. Accordingly, the share capital was increased by CHF 24,786,000 from CHF 535,529,988 to CHF 560,315,988 resulting in 61,036,600 registered shares with a nominal value of CHF 9.18 each.

On April 25, 2007, Petroplus completed a rights offering whereby it issued 7,600,000 new registerd shares with a nominal value of CHF 9.18 each out of its authorized capital according to article 5 of the Articles of Association. The shares were offered by way of a rights offering to existing shareholders and by way of a international offering to new investors. The offer price was CHF 100.00. This additional offering increased the share capital from CHF 560,315,988 divided into 61,036,600 shares to CHF 630,083,988 or 68,636,600 shares.

During the 4th quarter 2007, employees exercised 4,999 options and accordingly 4,999 new shares with a nominal amount of CHF 9.18 each were issued out of the conditional capital according to article 6 of the Articles of Association. Accordingly, the share capital was increased by CHF 45,891 and amounts as of December 31, 2007 to CHF 630,129,879 divided into 68,641,599 shares with a nominal value of CHF 9.18 each.

Shares, Participation and Profit Sharing Certificates

Registered Shares

As of December 31, 2007, Petroplus Holdings AG has 68,641,599 fully paid registered shares in issue, each with a nominal amount of CHF 9.18. Each registered share is entitled to one vote at the general meeting of shareholders. Voting rights may only be exercised after the shareholder has been registered in the share register. All shares participate equally in and are entitled to full dividends declared by the Company.

According to the Articles of Association, shareholders are not entitled to request the printing and delivery of certificates for registered shares. However, the shareholder may at any time request a confirmation of the number of his or her registered shares, which is to be issued by Petroplus Holdings AG.

Participation and Profit Sharing Certificates

Petroplus Holdings AG did not have any participation certificates or profit sharing certificates outstanding at December 31, 2007 or at any time within the period presented in the annual report.

Limitations on Transferability and Nominee Registrations

There are no restrictions for Swiss or foreign investors with regard to registration in the share register, insofar as they declare to have acquired shares for their own account. See also Art. 8 and 7 of the Articles of Association.

Persons not expressly declaring themselves to be holding shares for their own account in their application for entry in the register of shares (a “Nominee”) will be entered for a maximum of 5% of the outstanding share capital. Above this limit, registered shares held by Nominees will be entered in the share register with voting rights only if the Nominee in question makes known the names, addresses and shareholdings of the persons for whose account such Nominee is holding 0.5% or more of the outstanding share capital according to the commercial register. The BoD has the right to conclude agreements with such Nominees regulating the representation of shareholders and of the voting rights.

Legal entities and associations that are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships that act in concert with the intent to evade the entry restriction, are considered as one shareholder or Nominee.

Convertible Bonds, Warrants and Options

No convertible bonds have been issued by Petroplus Holdings AG or any entity under its control. At December 31, 2007, Petroplus has 3,712,634 options outstanding that were granted through two option plans. Under the Equity Incentive Plan 2,420,134 options were granted to investors (some of which are Directors or Executive Management) in connection with purchases of its shares and are not dependent upon employment or service. Each of the options granted in an investment capacity provide the holder the right to purchase one share at a price of USD 15.80, become fully vested upon a change of control of Petroplus Holdings AG (including certain changes in the majority of the BoD), have a duration of ten years and are subject to the further terms and conditions of the Equity Incentive Plan under which they were issued. Out of the total of 2,420,134 options, 1,109,225 vested upon the IPO of the Company on November 30, 2006 another 1,109,225 options will vest on July 31, 2008 and the remaining 201,684 options will vest on June 1, 2009. The remaining 1,292,500 options outstanding were granted between November 29, 2006 and November 1, 2007, under the Equity Participation Plan. The options provide the holder with the right to purchase one share at the Offer Price between CHF 63.00 to CHF 130.00. The weighted average exercise price of the options outstanding is CHF 94.84. The options have a life of ten years and will vest in equal amounts on the first, second and third anniversary of the respective grant date. All options currently granted under the Equity Participation Plan are held by employees, the Executive Management and Non-executive Members of the Board. See section “Compensation, shareholdings and loans” and Notes 22 and 24 in the Consolidated Financial Statements as well as Note 6 of the Statutory Financial Statements of Petroplus Holdings AG for further information regarding these plans.

Board of Directors

Members of the Board of Directors

Petroplus Holdings AG's Articles of Association stipulate that the BoD consists of a minimum of three members. At December 31, 2007, the BoD has ten members and is composed as follows:

Name	Nationality	Position	Date of first appointment	Term expires [1]
Thomas D. O'Malley	American	Chairman and CEO	February 2006 [2]	2009
Patrick Monteiro de Barros	Portuguese	Vice Chairman, non-executive	November 2006 [3]	2009
Markus Dennler	Swiss	Chairperson, non-executive	November 2006 [3]	2009
Walter Grüebler	Swiss	Non-executive member	November 2006	2008
Robert J. Lavinia	American	Executive member and President	May 2007 [4]	2010
Maria Livanos Cattaui	Swiss	Non-executive member	November 2006	2008
Eija Malmivirta	Finn	Chairperson, non-executive	November 2006	2009
Werner G. Müller	Swiss	Non-executive member	May 2007 [4]	2010
Patrick Power	Irish	Non-executive member	November 2006	2008
Ernst Weil	Swiss	Non-executive member	May 2007 [4]	2010

[1] The duration of the term expressed in years was initially determined at the extraordinary shareholders' meeting held on November 29, 2006. The term will expire on the day of the ordinary shareholders' meeting held in the respective year set forth in this column. The new members elected on the first ordinary shareholders' meeting, have been elected for a ordinary three year term.

[2] Includes Thomas D. O'Malley's term as chairman of Argus.

[3] Patrick Monteiro de Barros was a founder of and a member of the BoD of Argus from February 2006 to August 2006.

[4] Robert J. Lavinia, Werner G. Müller and Ernst Weil were elected as new Members of the Board of Directors at the first Annual General Meeting of Petroplus Holdings AG on May 9, 2007. Robert J. Lavinia was subsequently elected as President of the Company by the Board of Directors.

Thomas D. O'Malley
Chairman and CEO

The former Board Members Peter Backhouse, N. John Lancaster and Baran Tekkora resigned their positions as of February 12, 2007, upon the sale of RIVR Holdings shares in the Company. On May 9, 2007, at the First Annual General Meeting, Robert J. Lavinia, Werner G. Müller and Ernst Weil were elected as new Members of the Board of Directors.

Education, Professional Background, Other Activities and Functions

With the exception of Mr. O'Malley, our Chief Executive Officer ("CEO"), and Mr. Lavinia, our President of the Company, none of the other members of the BoD has any management responsibility within the Petroplus Group. With the exception of their ownership interest, none of the other members of the BoD has or have had any significant business connection with Petroplus or its affiliated companies. On February 20, 2008, Petroplus Holdings AG announced that Robert J. Lavinia has been appointed CEO of the Company, effective March 1, 2008.

Thomas D. O'Malley (Chairman and CEO)
Education – Bachelor of Science in Economics from Manhattan College, USA

Professional background – Thomas D. O'Malley has served as Chairman of the BoD and CEO since the incorporation of Argus in February 2006. Prior to that, he served as the chairman of the Board of Directors of Premcor Inc. from February 2002 to September 2005, a Senior Executive Employee of Premcor Inc. from January 2005 to September 2005, Chief Executive Officer of Premcor Inc. from February 2002 to December 2004 and president of Premcor Inc. from February 2002 to January 2003. Mr. O'Malley served as Vice Chairman of the Board of Phillips Petroleum Company from the consummation of that company's acquisition of Tosco Corporation in September 2001 to January 2002. He served as Chairman and Chief Executive Officer of Tosco from January 1990 to September 2001 and President of Tosco from May 1993 to May 1997 and from October 1989 to May 1990.

Activities in governing and supervisory bodies – None

Permanent management and consultancy functions for Swiss and foreign interest groups – None

Patrick Monteiro de Barros (Vice Chairman and Chairperson of the Compensation Committee, non-executive)
Education – BA from the University of Paris and Ecole Supérieur de Commerce de Paris, France

Professional background – Patrick Monteiro de Barros has served as Chairman and Chief Executive Officer of Argus Resources Ltd. (U.K.) since 1988 and serves as a member of the board of Espirito Santo Financial Group. He was president and Chief Executive Officer of Sigmoil Resources from 1987 to 1988 and Senior Vice President of Philipp Brothers from 1975 to 1987.

Activities in governing and supervisory bodies – Patrick Monteiro de Barros serves as a Chairman of the Monteiro de Barros Foundation, Lisbon, Portugal, Chairman of Protea Holdings, NY, USA and is a Non-executive Member of the Board of the Espirito Santo Financial Group.

Permanent management and consultancy functions for Swiss and foreign interest groups – None

Markus Dennler, Dr. (Non-executive Member and Chairperson of the Audit Committee)
Education – Juris Doctor University of Zurich and admitted to the Bar of Zurich. Further he attended the International Bankers School in New York and the Harvard Business School (AMP), USA.

Patrick Monteiro de Barros
Vice Chairman and Chairperson of the Compensation Committee, non-executive

Markus Dennler, Dr.
Non-executive Member and Chairperson of the Audit Committee

Walter Grüebler, Dr.
Non-executive Member

Robert J. Lavinia
President of the Company and executive Member

Professional background – Markus Dennler served in a series of positions within the Credit Suisse Group, ultimately as a Member of the Executive Board of Credit Suisse Financial Services and as Chief Executive Officer responsible for the global operational life and pensions business. Prior to that, he was a Member of the Corporate Executive Board of Winterthur Insurance, at that time a subsidiary of Credit Suisse Group.

Activities in governing and supervisory bodies – Markus Dennler currently serves as Vice Chairman of Implenia AG and as a Member of the Board of Allianz Suisse, Swissquote Group and Jelmoli.

Permanent management and consultancy functions for Swiss and foreign interest groups – Council member of the British Swiss Chamber of Commerce

Walter Grüebler, Dr. (Non-executive Member)
Education – Dr. oec. HSG and Master of Business Administration (lic. oec. HSG) from the University of St. Gallen, Switzerland.

Professional background – Walter Grüebler served as Chief Executive Officer of Sika AG from 2000 to 2004. From 1990 to 1999, Mr. Grüebler was a Member of Group Management of Alusuisse AG and from 1974 to 1990 as Chief Executive Officer and Vice Chairman of the Board of Directors of Airex AG.

Activities in governing and supervisory bodies – Walter Grüebler serves as Chairman of the Board of Directors of Sika AG, Chairman of Adval Tech AG and National Versicherungen as well as Quadrant AG. Further Walter Grüebler is a Member of the Board of Swiss Society of Chemical Industries, Zürich, Switzerland.

Permanent management and consultancy functions for Swiss and foreign interest groups – None

Robert J. Lavinia (President of the Company and executive Member)
Education – Graduated from the US Merchant Marine Academy and the Harvard University Business School Advanced Management Program.

Professional background – Robert J. Lavinia has more than 35 years of experience in the oil business. He has worked for a number of large energy companies including Gulf Oil Corporation (1970 – 1980), Phibro Energy Corporation (1980 – 1991) and Tosco Corporation (1992 – 2001). From 2002 to 2006, Mr. Lavinia served on the Board of Directors of Transcor SA, a Belgium based trading company and, 2005 - 2006, as Chairman of the Board of the Pasadena Refining Company.

Activities in governing and supervisory bodies – None

Permanent management and consultancy functions for Swiss and foreign interest groups – None

Maria Livanos Cattaui (Non-executive Member)
Education – BA with Honors from Harvard University, USA and a honorary Doctor of Laws degree from York University, Canada.

Professional background – Maria Livanos Cattaui was Secretary-General of the International Chamber of Commerce from 1996 through June 2005. Prior to this position, Mrs. Cattaui was with the World Economic Forum in Geneva for nearly two decades, rising to become Managing Director, responsible for the forum's annual meeting in Davos.

Activities in governing and supervisory bodies – Mrs. Maria Livanos Cattaui serves on various non-profit boards around the world: Vice Chairman of the International Crisis Group (Brussels), Member of the Board and advisory board of ICT for Peace Foundation (Geneva), EastWest Institute (New York), the World Life Sciences (Geneva), the Institute of International Education (New York), the National Bureau of Asian Research (NBR), the International Youth Foundation (Baltimore), the Schulich School of Business (York University, Toronto) and the Elliott School of International Affairs (George Washington University, Washington D.C.).

Permanent management and consultancy functions for Swiss and foreign interest groups – None

Eija Malmivirta (Non-executive Member and Chairperson of the Nominating and Corporate Governance Committee)
Education – Master of Sciences from Helsinki University of Technology in Finland

Professional background – Ms. Malmivirta served as Chairman and principal owner of Merei Oy Ltd from 1996 to 2002. From 1969 to 1996, she served in various positions with Neste Oil Oyj, most recently as Executive Vice President, Head of Neste Oil Trading and Supply.

Activities in governing and supervisory bodies – Eija Malmivirta presently serves as Vice Chairman of the Board of Directors of Kemira Oyj, Helsinki, Finland and as a Member of the Board of Directors of National Emergency Supply Administration, Helsinki, Kotimaa Yhtiöt Oy, Helsinki, Miinan Hoitolat Oy, Helsinki, and Kansallisteatteri Oy, Helsinki.

Permanent management and consultancy functions for Swiss and foreign interest groups – None

Werner G. Müller, Dr. (Non-executive Member)
Education – PhD in geology from the University of Basel, Switzerland

Professional background – Dr. Werner G. Müller has more than 41 years of professional experience in technical and economic aspects of the mining, metallurgical and oil and gas businesses. Dr. Müller has worked for the world's leading commodity trading firms, including Philipp Brothers (1971 – 1985), Glencore and its predecessor Marc Rich (1989 – 2000). Since 2000, Dr. Müller is an independent minerals industry consultant. He is also a Senior Associate of Behre Dolbear, a US based consulting group specialized in evaluating minerals industry assets and providing mining financial services.

Activities in governing and supervisory bodies – None

Permanent management and consultancy functions for Swiss and foreign interest groups – None

Patrick Power (Non-executive Member)
Education – Bachelor of Sciences in Experimental Physics from University College Dublin, Ireland, Master of Sciences in Geophysics from Imperial College London, UK, MBA from the University College Cork, Ireland. Patrick Power is also a chartered Engineer and a fellow of the Institution of Engineers of Ireland.

Professional background – Patrick Power has served as founder and Managing Director of Shannon LNG Limited since 2003. Prior to that, he served as director and Chief Executive Officer of the Irish National Petroleum Corporation from 1998 to 2001 and the Irish Petroleum Company from 2001 to 2002. From 1973 to 1993, Patrick Power held various positions with

Maria Livanos Cattaui
Non-executive Member

Marathon Oil Company, including President of Marathon International Petroleum – Worldwide Business Development.

Activities in governing and supervisory bodies – Patrick Power serves as a Managing Director and Member of the Board of Directors of Shannon LNG Ltd., Ireland and Member of the Board of the Multiple Sclerosis Society of Ireland.

Permanent management and consultancy functions for Swiss and foreign interest groups – None

Ernst Weil (Non-executive Member)
Education – Graduated in Economies from the University of Zurich and from Harvard University Business School Advanced Management Program.

Professional background – Ernst Weil has over 40 years experience in the financial and energy businesses. He has worked in various companies including Phibro Energy Corporation from 1975 to 1986, in a variety of positions including as Chief Executive Officer and with Solomon Brothers from 1986 to 1993 as Executive Vice President. From 1994 to 1999 he has served as a Member of the BoD of Rothschild Bank, Switzerland.

Activities in governing and supervisory bodies – Member of the Board and Co-Chairman of the United Jewish Appeal, Switzerland.

Permanent management and consultancy functions for Swiss and foreign interest groups – None

Elections and Terms of Office

The Members of the BoD are generally elected for the period of a maximum of three years at the General Meeting of Shareholders. A year is defined as the period between two ordinary shareholders' meetings. The individual terms of office of the members are coordinated in such a way that every year approximately one third of the members are subject to reelection or election. In 2007 the new members were elected individually. The expiry dates of the elected terms of all Member of the Board are disclosed in the table on page 61.

The BoD appoints its Chairman and Vice Chairman itself.

Eija Malmivirta
Non-executive Member and Chairperson of the Nominating and Corporate Governance Committee

Werner G. Müller, Dr.
Non-executive Member

Patrick Power
Non-executive Member

Ernst Weil
Non-executive Member

Internal Organizational Structure

The BoD is the supreme management body of Petroplus and consists of the Chairman, the Vice-Chairman and the other members. In accordance with the Organizational Regulations of Petroplus Holdings AG ("ROO"), our BoD has established three subcommittees: the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee. Each committee advises the BoD on the matters specified below, often with the assistance of the Senior Management and others involved in the management of Petroplus Holdings AG. The chairperson of each of the subcommittees will inform the BoD of all significant issues discussed at the subcommittee meetings and provide recommendations for decisions required to be made by the BoD. Members of the committees are non-executive members of the BoD and independent. For purposes of committee membership, independent means a non-executive member of the BoD who was not a member of executive management during the past three years and who has had no or comparatively minor business relations with Petroplus Holdings AG. No member of any committee may have any relationship that, in the opinion of the BoD, would interfere with the exercise of his or her independent judgment as a member of the relevant committee.

There have been seven BoD meetings held during the year, the meetings lasted approximately five to seven hours or the time necessary required to fulfill its purpose.

The BoD and the committees has invited members of executive management and external consultants to deal with specific issues as deemed necessary.

Audit Committee

Members: Markus Dennler (Chairperson), Walter Grüebler and Ernst Weil.

The Audit Committee supports the BoD as a consulting, controlling and initiating body in the areas of communicating with internal and external auditors, supervising the independence and objectivity of the internal audit function, reviewing and assessing the independence of external auditors, financial reporting as well as assessing the adequacy and effectiveness of internal control systems. The Audit Committee encourages continuous improvement of, and adherence to Petroplus Holdings AG's policies, procedures and practices at all levels.

The Audit Committee is composed of at least two members of the BoD as determined by the BoD. Each member of the Audit Committee must be a non-executive and independent director. The committee will meet at least four times a year for the time necessary to fulfill its purpose, which is estimated to be no less than one hour, or more frequently as circumstances dictate. The committee held four meetings, which lasted approximately two or more hours, in 2007.

Nominating and Corporate Governance Committee

Members: Eija Malmivirta (Chairperson), Maria Livanos Cattaui and Werner G. Müller.

The Nominating and Corporate Governance Committee establishes principles for the selection of nominees for election or reelection to the BoD, suggests nominees for election to the BoD and makes recommendations to the BoD concerning corporate governance matters and practices.

The Nominating and Corporate Governance Committee is composed of at least two members of the BoD as determined by the BoD. The majority of the members of the Nominating and Corporate Governance Committee must be non-executive and independent directors. The committee will meet approximately two to four times a year for the time necessary to fulfill its purpose, which is estimated to be no less than one hour, or more frequently as circumstances dictate. The committee held three meetings, which lasted approximately an hour each, in 2007.

Compensation Committee

Members: Patrick Monteiro de Barros (Chairperson), Eija Malmivirta and Patrick Power.

The Compensation Committee supports the BoD to assure that the executive officers and the members of the BoD are compensated in a manner consistent with our stated compensation strategy, internal equity considerations, competitive practice and regulatory requirements.

The Compensation Committee is composed of at least two members of the BoD as determined by the BoD. The majority of them shall be non-executive and independent directors. The committee will meet approximately two to four times a year for the time necessary to fulfill its purpose, which is estimated to be no less than one hour, or more frequently as circumstances dictate. The committee held two meetings, which lasted approximately an hour each, in 2007.

Definition of Areas of Responsibility

While the Board of Directors has delegated the executive management of Petroplus to the CEO and the other members of the Senior Management, the following responsibilities remain with the Board:

- election of the Chairman, the Vice Chairman, the Chairperson and members of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee;
- definition of the ultimate direction and the handing out of necessary instructions;
- definition and modification of the strategy of the Company as well as the passing of resolutions about the taking up or suspension of business activities;
- establishment of the organization;
- appointment and dismissal of members of the Senior Management and of other signatories of the Company;
- approval of the annual budget and of deviations from it;
- approval of the financial planning and establishment of principles of accounting and financial control;
- determination of the fiscal year of the Company;
- supervision and control of the members of the Senior Management, especially with respect to compliance with laws, the Articles, internal directives and instructions;
- preparation of the annual report and general meetings, as well as the execution of its decisions;
- notification of the judge in case of over-indebtedness or bankruptcy based on Article 725 of the Swiss Code of Obligation ("CO");
- decisions about contributions on shares not fully paid and in connection with the increase of share capital out of the authorized capital including decisions to delete outdated provision;
- approval of mass redundancies as set out in Article 335d of the CO or similar foreign prescriptions; and
- purchases and sales of real estate, subsidiaries or businesses if the costs exceed CHF 100 million, borrowings of more than CHF 100 million, petroleum contracts that exceed one and a half million barrels per month and extend more than one year or other contracts of more than CHF 500 million a year and all transactions between the Company and the CEO or the other members of the management or persons closely related to those.

Information and Control Instruments vis-à-vis the Senior Management

Petroplus' financial reporting is supported through professional reporting and consolidation software. Income Statements and full balance sheets are reported and consolidated on a monthly basis, including other information pertinent to an up-to-date controlling system, such as sales and operating profit details. On a monthly basis each refinery, marketing and other business controllers report detailed analysis on the changes in the financial information. This analysis incorporates changes in the market, operations, and other relevant areas. Additionally, this analysis is compared to the budget, which is approved by the BoD, in the fourth quarter of the previous year. The CFO provides the BoD a summary analysis on the financial and operational results on a monthly basis.

Certain members of Senior Management are regularly involved in the meetings of the BoD and the Audit Committee. The CFO presents the financial information of the Company to the Audit Committee on a quarterly and annual basis.

An Internal Audit function was established in the last quarter of 2006. The Internal Audit function assists the BoD in the discharge of its oversight responsibilities by providing independent and objective assessments of the effectiveness of the Company's risk management, internal control and governance processes. Internal Audit activities are based on an annual audit plan developed using an appropriate risk-based methodology that covers all operations of the Company. This audit plan will be approved by the BoD after review by the Audit Committee. The results of internal audits are communicated directly to the Chief Financial Officer, the Audit Committee, and the Chairman of the Board as well as to the External Auditors through formal Internal Audit reports. Regular follow-up will be performed to ensure that risk mitigation and control improvement measures are implemented on a timely basis.

The Director of Internal Audit reports directly to the Audit Committee to ensure independence from management.

Internal Audit is committed to the Standards for Professional Practice of Internal Auditing set out by the Institute of Internal Auditors.

Senior Management

Members of the Senior Management

The six members of the senior management ("Senior Management", and each such member, a "Senior Manager") are as follows:

Name	Nationality	Position
Thomas D. O'Malley	American	Chief Executive Officer and Chairman [1)]
Robert J. Lavinia	American	President [1)]
Michael D. Gayda	American	Executive Vice President and General Counsel
Bruce A. Jones	American	Executive Vice President and Chief Operating Officer
Chester J. Kuchta	American	Executive Vice President and Chief Commerical Officer
Karyn F. Ovelmen	American	Executive Vice President and Chief Financial Officer

[1)] Effective March 1, 2008, Robert J. Lavinia was appointed CEO of the company. Thomas D. O'Malley will continue as Chairman.

Thomas D. O'Malley
Chairman and CEO

Robert J. Lavinia
President

Education, Professional Background, Other Activities and Functions

None of the members of Senior Management are members of governing and supervisory bodies of Swiss or foreign organizations outside of the Petroplus group. None of the members hold permanent management or consultancy functions for Swiss or foreign interest groups, and none of the members have official functions or hold political posts.

Thomas D. O'Malley (Chief Executive Officer and Chairman)
See section "Board of Directors" above.

Tasks previously carried out for Petroplus – None

Robert J. Lavinia (President and Executive member)
See section "Board of Directors" above.

Tasks previously carried out for Petroplus – None

Michael D. Gayda (Executive Vice President and General Counsel)
Education – Bachelor of Sciences in Economics from the Wharton School, University of Pennsylvania, USA and Juris Doctor from Boston University, School of Law, USA

Professional background – Michael Gayda has served as our Executive Vice President, General Counsel and Secretary since the incorporation of Argus in February 2006. He served as Executive Vice President, General Counsel and Secretary at Premcor Inc. from January 2005 until September 2005 and Senior Vice President, General Counsel and Secretary from October 2002 to December 2004. Prior to this position, he

Michael D. Gayda
Executive Vice President and General Counsel

Bruce A. Jones
Executive Vice President and Chief Operating Officer

Chester J. Kuchta
Executive Vice President and Chief Comercial Officer

Karyn F. Ovelmen
Executive Vice President and Chief Financial Officer

served as General Counsel-Refining for Phillips 66 Company, a division of Phillips Petroleum Company, following Phillips Petroleum's acquisition of Tosco Corporation in September 2001. Prior to joining Phillips Petroleum, Mr. Gayda served in various positions at Tosco Corporation from 1990 to 2001, most recently serving as Vice President and Associate General Counsel at Tosco Refining Company, a division of Tosco Corporation, from 1996 to 2001.

Tasks previously carried out for Petroplus – None

Bruce A. Jones (Executive Vice President and Chief Operating Officer)
Education – Bachelor of Science from Juniata College, USA and Masters of Sciences from Rutgers University, USA

Professional background – Bruce Jones has served as our Chief Operating Officer since May 2006. He served as vice president of safety, health and environment for The Premcor Refining Group Inc. from August 2002 to September 2005 when Premcor was acquired by Valero Energy. Prior to joining Premcor, Mr. Jones served in various corporate and refining positions at Tosco and Phillips Petroleum from 1993 to 2002. Prior to joining Tosco, Mr. Jones spent two years at Exxon Corporation and 12 years with Public Service Electric and Gas in various corporate and operational positions.

Tasks previously carried out for Petroplus – None

Chester J. Kuchta (Executive Vice President and Chief Commercial Officer)
Education – Bachelor of Sciences in Chemical Engineering from Brown University, USA

Professional background – Chester Kuchta has served as our Chief Commercial Officer since June 2006. He served as vice president of crude oil supply and trading at The Premcor Refining Group Inc. from April 2002 until September 2005. Prior to joining Premcor, Mr. Kuchta served as the Crude Oil Supply Manager for Phillips 66 Company's East Coast and Gulf Coast Systems, following Phillips' acquisition of Tosco Corporation in 2001. Prior to joining Phillips, Mr. Kuchta served in various commercial and refining positions at Tosco from 1996 to 2001. Prior to joining Tosco, Mr. Kuchta spent six years at the Exxon Corporation in various refining, economic and environmental engineering positions.

Tasks previously carried out for Petroplus – None

Karyn F. Ovelmen (Executive Vice President and Chief Financial Officer)
Education – Bachelor of Arts from the University of Connecticut, USA and Certified Public Accountant ("CPA") in the US

Professional background – Karyn Ovelmen has served as Executive Vice President and Chief Financial Officer since the incorporation of Argus in February 2006. She served as Executive Vice President and Chief Financial Officer of Argus Resources Inc. in 2006. Prior to joining Argus, Ms. Ovelmen served as Vice President of External Reporting and Investor Relations for The Premcor Refining Group Inc. from November 2003 to September 2005, when Premcor was acquired by Valero Energy. Prior to joining Premcor, Ms. Ovelmen spent 12 years with PricewaterhouseCoopers, primarily in the energy industry, including a lead role on PricewaterhouseCoopers' engagement for Tosco Corporation.

Tasks previously carried out for Petroplus – None

Management contracts

Petroplus does not have management contracts with third parties.

Compensation, Shareholdings and Loans

Content and Method of Determining the Compensation and the Share-Ownership Programs

Non-Executive Members of the Board

For the Board of Directors, the following forms of compensation apply:

- Board of Directors fees - Each non-executive member of the BoD will be paid an annual compensation of CHF 120,000 for services provided. In addition, the chairperson of the Audit Committee will receive additional annual compensation of CHF 120,000, and the committee chairpersons of the Compensation Committee and the Nominating and Corporate Governance Committee will each receive additional annual compensation of CHF 20,000.
- Other cash compensation - Each non-executive member of the BoD will receive compensation of CHF 5,500 for each board or committee meeting attended.
- Equity Participation Plan – The non-executive members of the BoD are eligible to participate in our Equity Participation Plan. The options granted are approved by the BoD.

Senior Management (Including Executive Members of the Board)

The Company has entered into employment agreements with our Senior Management. The agreements, as amended, effective May 1, 2006, and August 20, 2007, have an initial term of three years and are subject to an automatic one-year extension thereafter, unless either party gives 60-days' prior written notice of such party's intention not to extend the term of the agreement. The agreements provide for annual base salaries (with increases, if any, to be determined by our BoD) in the following amounts as of December 31, 2007: CHF 651,000 for Thomas D. O'Malley, CHF 600,000 for Robert J. Lavinia and CHF 525,000 each for Michael D. Gayda, Chester J. Kuchta, Bruce A. Jones and Karyn F. Ovelmen. The employment agreements provide that the members of the Senior Management are eligible to earn an annual bonus for 2007 and thereafter the bonus payment is dependent on certain predetermined earnings-per-share levels being met. If these levels are exceeded, additional bonus opportunities can be realized. In addition, the members of the Senior Management are eligible to participate in our Equity Participation Plan.

The Compensation Committee of the Board of Directors has established a policy for the Company that compensation should ensure that the management and employees are rewarded appropriately for their contributions to the Group's growth and profitability, that the executive compensation strategy supports organizational objectives and shareholder interests and that the compensation is demonstrably contingent upon sustainable company success and the individual contribution by the person in question. In determining the long-term incentive component the BoD considers, among other factors, the Company's performance and relative shareholder return, the value of similar incentive awards for executive officers at comparable companies and the awards given to the respective persons in past years.

Each of the Senior Management employment agreements, which includes their incentive compensation and their eligibility for long term equity compensation, has been approved by the BoD. The BoD has approved the Equity Participation Plan, which establishes a plan for the Board to grant stock options and other equity awards. The BoD approves individual awards to Directors, Senior Management and employees.

Compensation and Shareholdings

For the disclosure of the compensation of the BoD and Executive Management, and details of shareholdings refer to Note 6 of the Statutory Financial Statements of Petroplus Holdings AG at December 31, 2007.

Shareholders' Participation

Voting-Rights and Representation Restrictions

Each share carries one vote. All shares have equal rights. Voting rights and certain other non-economic rights attached to the shares, including the right, subject to certain conditions, to call and to attend shareholders' meetings, may be exercised only after a shareholder has been registered in the share register of Petroplus Holdings AG as a shareholder or beneficiary with voting rights.

Persons who have acquired registered shares will, upon application, be entered into the share register as shareholders with voting power, provided they expressly declare themselves to have acquired the shares concerned in their own name and for their own account. See in section "Limitations on Transferability and Nominee Registrations".

The transfer of uncertificated shares is completed upon the assignment in writing by the shareholder selling the shares and notification to Petroplus Holdings AG. Shares held in a custody or portfolio account with a bank may be transferred only with the cooperation of that bank. Uncertificated shares may be pledged only by a written pledge agreement in favor of the bank in whose accounts the shareholder keeps the relevant shares.

If the registration of shareholdings with voting rights was effected based on false information, the BoD may cancel such registration with retroactive effect.

Statutory Quorums

There is no provision in our articles of association requiring a quorum to be present for our shareholders' meetings. Except as otherwise stipulated by law, the shareholders' meeting passes resolutions and carries out elections by the majority of the votes represented at a meeting. A resolution passed at the shareholders' meeting with a qualified majority of at least two-thirds of the shares and the absolute majority of the nominal capital represented at such meeting is required by law for:

- changes in a company's purpose;
- the creation of shares with privileged voting rights;
- restrictions on the transferability of registered shares;
- an authorized or conditional increase in the company's share capital;
- an increase in the company's share capital by way of capitalization of reserves, against contributions in kind, for the acquisition of assets or involving the grant of special benefits;
- the restriction or elimination of pre-emptive rights of shareholders;
- a relocation of domicile; or
- dissolution of the company

The chairman of the shareholders' meeting decides on the voting procedure at each meeting.

Convocation of the General Meeting of Shareholders

The rules regarding the convocation of the General Meeting of the Shareholders do not deviate from the Swiss Company Law.

Agenda

The agenda of the General Meeting of Shareholders is defined by the BoD and will mention the business to be discussed as well as motions of the Board of Directors or of shareholders who have asked for an item to be placed on the agenda. One or more shareholders representing shares with a par value of CHF 1,000,000 may request an item to be included in the agenda of the shareholders' meetings. The request to include an item must be submitted in writing at least 45 days prior to the shareholders' meeting, stating the item to be included and the motions.

Registrations in the Share Register

The company maintains a share register in which the details of the owners and beneficiaries of the registered shares are recorded. Nominees will be registered up to 5%. For further information see section "Limitations on Transferability and Nominee Registrations" above.

Changes of Control and Defense Measures

Duty to Make an Offer

A person who acquires equity securities of Petroplus, whether directly, indirectly or acting in concert with third parties, which exceed the threshold of 33⅓% of the Company's voting rights (whether exercisable or not), must make an offer to acquire all shares. A waiver of the mandatory rules may be granted by the Swiss Takeover Board or the Swiss Federal Banking Commission under certain circumstances.

Swiss law provides for the possibility to have the articles of association contain a provision which would eliminate the obligation of an acquirer of shares exceeding the threshold of 33⅓% of the voting rights to proceed with a public purchase offer (opting-out) or which would increase such threshold to 49% of the voting rights (opting-up). The articles of association of Petroplus do not contain such opting-out or opting-up provisions.

Clauses on Changes of Control

All outstanding options, including those granted to the Members of the BoD and the Senior Management, become fully vested and the non-compete clause in the employment contracts with Senior Management become null and void upon a change of control of Petroplus Holdings AG. There are no other provisions for special compensation due to a change of control for the members of the board or the Senior Management.

Auditors

Duration of the Mandate and Term of Office of the Lead Auditor

In 2006, Ernst & Young AG, Zürich was appointed as Group Auditors of Petroplus for the first time. They were reelected for a period of one year at the Shareholders' meeting held on May 9, 2007. Mr. Eric Ohlund, Partner, is acting as the Auditor-In-Charge since 2006.

Auditing Fees

Total auditing fees charged by Ernst & Young worldwide for the financial year 2007 amount to USD 2.9 million (2006: USD 2.6 million).

Additional Fees

Additional fees charged by Ernst & Young in respect of non-audit work performed during the financial year 2007 amount to USD 0.5 million (2006: USD 3.3 million).

Supervisory and Control Instruments

The Board of Directors monitors the work and audit results of the External Auditors through the Audit Committee. In 2007, the Audit Committee met four times with the External Auditors. The Audit Committee further reviews the level of the external audit fees.

Information Policy

In addition to the annual report, Petroplus will publish condensed interim financial information quarterly.

Petroplus provides stock-price-sensitive information in accordance with the ad hoc publicity requirements of the Listing Rules of the Swiss Exchange. All information is distributed through third-party electronic and print media resources. Additionally, all interested parties have the possibility to directly receive from Petroplus, via an e-mail distribution list, free and timely notification of publicly released information. All of this information as well as the registration form for the e-mail distribution service, general corporate information and Company publications can be found on the Investors section of the Company website located at www.petroplusholdings.com.

Contact information
Petroplus Holdings AG
Investor Relations
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6394 Zug, Switzerland
Phone: +41 (0)58 580 11 66

Financial Reporting

Consolidated Financial Statements of Petroplus Holdings AG

Statutory Financial Statements of Petroplus Holdings AG

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Consolidated Income Statements for the years ended December 31, 2007 and 2006

(in millions of USD)	Notes	2007 [2]	2006 [1]
Continuing operations			
Revenue	3, 4	13,905.1	6,923.0
Materials cost	3	(12,739.3)	(6,376.6)
Gross margin		**1,165.8**	**546.4**
Personnel expenses	5	(237.9)	(115.5)
Operating expenses	5	(319.2)	(139.3)
Depreciation and amortization	12, 13	(164.3)	(74.9)
Other administrative expenses		(59.3)	(36.5)
Operating profit		**385.1**	**180.2**
Financial income	5	35.3	42.1
Financial expenses	5	(103.5)	(127.6)
Foreign currency exchange gains		1.8	4.2
Share of income from associates	14	-	0.3
Profit before income taxes		**318.7**	**99.2**
Income taxes	6	(8.3)	(25.1)
Net income from continuing operations		**310.4**	**74.1**
Discontinued operations			
(Loss) / Gain from discontinued operations, net of tax	7	(7.1)	369.5
Net income		**303.3**	**443.6**
Net income attributable to:			
Shareholders of the parent		303.3	443.4
Minority interest		-	0.2
Net income		**303.3**	**443.6**
Earnings per share (in USD)			
Earnings per share - basic	23	4.57	10.90
Earnings per share - diluted	23	4.44	10.51
calculated on continuing operations			
Earnings per share - basic	23	4.68	1.82
Earnings per share - diluted	23	4.54	1.75

[1] Petroplus acquired European Petroleum Holdings N.V., Curaçao, and its subsidiaries ("EPH") on May 31, 2006. Therefore, the Income Statement for 2006 includes only seven months consolidated results for EPH.
Certain immaterial amounts have been reclassified from Gross Margin and Operating Expenses to the Foreign currency exchange gain line item to be in line with 2007 presentation. There is no Net Income effect as a result of this reclassification. The current classification of all foreign exchange results shown in the Foreign currency exchange gains line item provides transparency of the foreign currency result of the Company.

[2] Petroplus acquired the Ingolstadt refinery, Germany, on March 31, 2007 and the Coryton refinery, United Kingdom, on May 31, 2007. Therefore, the Income Statement for 2007 includes nine and seven months of operations for the Ingolstadt and Coryton refineries, respectively.

Consolidated Balance Sheets at December 31, 2007 and 2006

(in millions of USD)	Notes	2007	2006
Current assets			
Cash and short-term deposits	9	62.5	91.6
Trade receivables, net	11	1,503.1	546.9
Derivative financial instruments	29	161.9	239.0
Other receivables and prepayments	11	178.3	193.9
Inventories	10	2,129.5	741.0
Current tax assets		1.2	0.8
Assets classified as held for sale	8	-	81.2
Total current assets		**4,036.5**	**1,894.4**
Non-current assets			
Intangible assets	12	56.3	1.0
Property, plant and equipment	13	3,341.2	1,092.5
Investments in associates	14	0.4	0.4
Financial assets available for sale	15	2.8	2.2
Other financial assets	16	0.8	19.1
Deferred tax assets	6	28.8	5.2
Total non-current assets		**3,430.3**	**1,120.4**
Total assets		**7,466.8**	**3,014.8**
Current liabilities			
Interest-bearing loans and borrowings	17	149.7	-
Finance lease commitments	25	2.6	3.3
Trade payables	18	1,590.8	567.9
Current tax liabilities		45.6	17.5
Derivative financial instruments	29	165.7	260.1
Other payables and accrued expenses	18	1,249.9	316.0
Liabilities classified as held for sale	8	-	39.4
Total current liabilities		**3,204.3**	**1,204.2**
Non-current liabilities			
Interest-bearing loans and borrowings	17	1,183.4	-
Finance lease commitments	25	31.1	30.0
Retirement benefit obligation	19	69.4	28.2
Deferred tax liabilities	6	432.6	158.5
Provisions	20	44.5	38.8
Total non-current liabilities		**1,761.0**	**255.5**
Total liabilities		**4,965.3**	**1,459.7**
Shareholders' equity			
Share capital	22	517.4	459.7
Share premium		1,255.3	684.4
Translation reserve		33.1	9.2
Retained earnings		695.4	401.4
Equity attributable to shareholders of the parent		**2,501.2**	**1,554.7**
Minority interest	21	0.3	0.4
Total shareholders' equity		**2,501.5**	**1,555.1**
Total liabilities and shareholders' equity		**7,466.8**	**3,014.8**

Consolidated Cash Flow Statements for the years ended December 31, 2007 and 2006

(in millions of USD)	Notes	2007	2006
Cash flows from continuing operating activities			
Net income from continuing operations		310.4	74.1
Net reversal of non-cash items:			
Depreciation and amortization	12, 13	164.3	74.9
Amortization of capitalized financing costs		12.0	-
Share-based payments	24	12.8	0.3
Foreign exchange gain from disposal of a foreign operation		(9.2)	-
Changes in working capital and provisons of continuing operations:			
Change in provisions		(12.4)	9.4
Change in trade receivables and other receivables		(218.9)	28.5
Change in inventories		(409.2)	91.5
Change in derivative financial instruments		(17.5)	(201.0)
Change in trade payables, other payables and accrued expenses		650.0	(354.6)
Change in income tax position		2.5	26.2
Cash flows from continuing operating activities		**484.8**	**(250.7)**
Cash flows from continuing investing activities			
Investment in property, plant and equipment	13	(211.2)	(68.5)
Acquisition of subsidiaries, net of cash acquired	31	(2,289.2)	(398.1)
Cash flows from continuing investing activities		**(2,500.4)**	**(466.6)**
Cash flows from continuing financing activities			
Proceeds from issue of share capital	22	628.6	1,081.6
Increase in long-term loans and borrowings		1,200.0	854.6
Transaction costs		(39.8)	(64.0)
Repayment of long-term liabilities		-	(1,549.7)
Net interest on financing activities		-	(15.1)
Increase / (Decrease) on bank overdrafts		141.3	(151.3)
Cash flows from continuing financing activities		**1,930.1**	**156.1**
Cash flows from discontinued operations	32	**50.4**	**598.7**
Net cash flow		**(35.1)**	**37.5**
Net foreign exchange differences		6.0	(11.8)
Movement in cash and short-term deposits		**(29.1)**	**25.7**
Cash and cash equivalents from continuing operations as per January 1,		**91.6**	**65.9**
Cash and cash equivalents from continuing operations as per December 31,		**62.5**	**91.6**

Additional cash flow information included in cash flows from continuing operating activities (in millions of USD)

Income taxes paid		(10.2)	(6.7)
Income taxes received		0.4	2.5
Interest paid		(59.3)	(60.2)
Interest received		20.3	5.3

Consolidated Statements of Changes in Equity for the years ended December 31, 2007 and 2006

(in millions of USD)	Notes	Attributable to equity holders of the parent: Share capital	Share premium	Translation reserve	Retained earnings	Total	Minority Interest	Total Equity
Balance as per January 1, 2006		**3.1**	**28.3**	**0.2**	**(2.7)**	**28.9**	**0.9**	**29.8**
Exchange difference on translation of foreign entities		-	-	9.0	-	**9.0**	0.2	**9.2**
Net income recognized directly into equity		**-**	**-**	**9.0**	**-**	**9.0**	**0.2**	**9.2**
Net income for the period		-	-	-	443.4	**443.4**	0.2	**443.6**
Total recognized income and expense for the period		**-**	**-**	**9.0**	**443.4**	**452.4**	**0.4**	**452.8**
Effect of reverse acquisition		299.0	(267.9)	-	-	**31.1**	-	**31.1**
Issuance of share capital	22	157.6	924.0	-	-	**1,081.6**	-	**1,081.6**
Share issue costs (IPO costs)	22	-	-	-	(42.9)	**(42.9)**	-	**(42.9)**
Share-based payments	24	-	-	-	0.4	**0.4**	-	**0.4**
Related income tax		-	-	-	3.2	**3.2**	-	**3.2**
Changes in minority interests		-	-	-	-	**-**	(0.9)	**(0.9)**
Balance as per December 31, 2006		**459.7**	**684.4**	**9.2**	**401.4**	**1,554.7**	**0.4**	**1,555.1**
Exchange difference on translation of foreign entities [1]		-	-	54.6	-	**54.6**	(0.1)	**54.5**
Related income tax [1]		-	-	(21.5)	-	**(21.5)**	-	**(21.5)**
Net income recognized directly into equity		**-**	**-**	**33.1**	**-**	**33.1**	**(0.1)**	**33.0**
Transfer to profit and loss on disposal of foreign operation [2]		-	-	(9.2)	-	**(9.2)**	**-**	**(9.2)**
Net income for the period		-	-	-	303.3	**303.3**	-	**303.3**
Total recognized income and expense for the period		**-**	**-**	**23.9**	**303.3**	**327.2**	**(0.1)**	**327.1**
Issuance of shares in offering	22	57.7	570.6	-	-	**628.3**	-	**628.3**
Issuance of shares under share option plan		0.0	0.3	-	(0.0)	**0.3**	-	**0.3**
Share issue costs	22	-	-	-	(21.8)	**(21.8)**	-	**(21.8)**
Share-based payments	24	-	-	-	12.8	**12.8**	-	**12.8**
Related income tax		-	-	-	(0.3)	**(0.3)**	-	**(0.3)**
Changes in minority interests		-	-	-	-	**-**	-	**-**
Balance as per December 31, 2007		**517.4**	**1,255.3**	**33.1**	**695.4**	**2,501.2**	**0.3**	**2,501.5**

[1] Includes foreign exchange gains and losses on loans classified as net investments, and the related income tax on these gains and losses.
[2] The Company paid inter-company dividends that constituted a return of investment whereas in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates,* the proportionate share of the related translation reserve was recognized in Profit and Loss.

Notes to the Consolidated Financial Statements for the years 2007 and 2006

1 General Information

General

Petroplus Holdings AG and its subsidiaries (the "Company", "we", "us" or "Petroplus") is a publicly traded company listed in the main segment of the Swiss Stock Exchange ("SWX"). The initial listing of the Company took place on November 30, 2006. Petroplus Holdings AG was incorporated on February 20, 2006 under the name of Argus Atlantic Energy Limited ("Argus") in Bermuda. On August 22, 2006, the shareholders of Argus Atlantic Energy Limited resolved to transfer its registered office to Zug, Switzerland and to change its name to Petroplus Holdings AG. The address of its registered office is Petroplus Holdings AG, Industriestrasse 24, 6300 Zug, Switzerland.

Petroplus is a crude oil refiner and supplier of petroleum products in Europe, primarily through wholesale marketing. The Company owns and operates five refineries in Coryton (United Kingdom), Ingolstadt (Germany), Antwerp (Belgium), Cressier (Switzerland) and Teesside (United Kingdom). The Company also owns and operates a bitumen and gasoil processing facility in Antwerp (Belgium). The Company sells its petroleum products on an unbranded basis to distributors and end-use customers, primarily in the United Kingdom, Germany, Switzerland and the Benelux countries, as well as on the global spot market.

Development of the Company

2006

On January 13, 2006, RIVR Acquisition B.V. ("RIVR") entered into an agreement with SEM Group L.P. for the sale of Petroplus Milford Haven Limited.

On May 31, 2006, the Company acquired 100% of the voting shares of European Petroleum Holdings N.V. and its subsidiaries ("EPH" or "BRC"), an oil refining and distribution limited liability company incorporated in the Netherlands Antilles. For further details see Note 31.

On August 21, 2006, Argus and RIVR Holding B.V., Netherlands, the 100% shareholder of RIVR, signed an agreement whereby RIVR Holding B.V. transferred all of its shares in RIVR to Argus in return for shares in Argus, resulting in a reverse acquisition in which Argus became the ultimate parent of RIVR. After the contribution, RIVR Holding B.V. held 94.5% of the total issued shares of Argus. Immediately after the contribution of the shares, Argus transferred its registered office domicile from Bermuda to Switzerland and was renamed Petroplus Holdings AG.

Pursuant to a share sale and purchase agreement dated August 21, 2006, Petroplus sold substantially all of its remaining non-core assets, including the remaining Petroplus Tankstorage group assets, the Bunkering group and the Oxyde group to RIVR Divestment B.V. The 4Gas Group was sold in another sales and purchase agreement to RIVR Holding B.V.

The disposal of these non-core entities is described in detail in Note 7.

On November 30, 2006, the shares of Petroplus Holdings AG were traded on the SWX Swiss Exchange for the first time. During 2006 the company fully repaid all outstanding debt with the proceeds received from the IPO and the sale of non-core assets.

2007

On March 31, 2007, the Company completed the purchase of the Ingolstadt refinery (Petroplus Raffinerie Ingolstadt GmbH) located in Germany, together with selected wholesale operations. For further details see Note 31.

On April 25, 2007, the Company completed a rights offering whereby the Company issued 7.6 million new registered shares from existing authorized capital. The shares were offered at a price of CHF 100.00. The proceeds were primarily used to repay existing working capital facilities. For further details see Note 22.

On May 1, 2007, the Company issued USD 1.2 billion in senior notes, due 2014 and 2017 in equal installments. The proceeds were used to finance the acquisition of the Coryton refinery.

On May 31, 2007, the Company completed the purchase of the Coryton Refinery located on the Thames Estuary in the United Kingdom. For further details see Note 31.

As a result of these forgoing developments, the consolidated financial information includes only nine and seven months of the Ingolstadt and Coryton refinery's operations, respectively, in 2007 and seven months of EPH operations in 2006.

2 Accounting Policies

Basis of Preparation

Statement of Compliance

The Consolidated Financial Statements of Petroplus have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with Swiss Law.

All amounts included in the consolidated financial information and notes are presented in USD and rounded to the nearest USD in hundreds of thousands except where otherwise indicated.

Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following balance sheet positions that are measured at fair value:
– financial assets available for sale;
– derivative financial instruments;

The methods used to measure fair values are further discussed below.

Summary of Significant Accounting Policies

Scope of Consolidation

These Financial Statements are the Consolidated Financial Statements of Petroplus Holdings AG and its subsidiaries. Subsidiaries are those companies directly or indirectly controlled by Petroplus Holdings AG (generally over 50% of voting interest, or potential voting rights, of the relevant company's share capital). Control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Special purpose entities, irrespective of their legal structure, are consolidated in instances where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in associated companies (where Petroplus generally holds between 20% and 50% of a company's voting shares, or over which it otherwise has significant influence) and joint ventures are accounted for using the equity method as described in the paragraph "Investments in associates".

Other investments, where the Company holds less than 20% and does not have significant influence, are valued at their fair value and classified as financial assets available for sale.

Companies acquired or disposed of during the year are included in the Consolidated Financial Statements from the date of acquisition or up to the date of disposal. Intercompany transactions, balances and unrealized gains are eliminated in full.

Except for two subsidiaries, which issue their statutory financial statements on March 31, the annual closing date of all other individual financial statements is December 31. The subsidiaries with different reporting dates also prepare, for consolidation purposes, financial statements as of December 31.

A special purpose entity ("SPE") was established to sell its receivables under a receivable purchase facility ("RPF") agreement. The name of the SPE was "P Finance Limited", registered in the Cayman Islands. Petroplus does not have any direct or indirect shareholdings in P Finance Limited. In addition, Petroplus does not have significant influence on the decision making powers of the SPE's management and does not receive any benefits related to the SPE's operations and net assets. Petroplus does not have control over the SPE and therefore the SPE is not consolidated. With the cancellation of the RPF agreement during 2007, the Company has cancelled all its business relations with P Finance Limited.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for non-current 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*, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets and liabilities recognized.

Reverse Acquisitions

Under IFRS 3 *Business Combinations* acquisitions arising from transfers of interests in entities that are under the control of the shareholder that controls the Company, are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Company's controlling shareholder's Consolidated Financial Statements. The components of equity of the acquired entities are added to the same components within Company equity except that any share capital of the acquired entities is recognized as part of share premium. The acquisition of RIVR by Petroplus Holdings AG has been accounted for as a reverse acquisition and the consolidated financial information of the Company is therefore a continuation of the financial information of RIVR and its subsidiaries.

Translation of Foreign Currencies

The Consolidated Financial Statements are presented in USD, which is the Company's presentation currency. The Company operates in a variety of different countries and the entities within the Company have different functional currencies. As such, management has determined that USD will be the presentation currency which will be used to monitor the performance and financial position of the Company. Each entity in the Company determines its own functional currency and items included in the Financial Statements of each entity are measured using that functional currency. Assets and liabilities of entities using a non-USD functional currency are translated into USD at the year-end exchange rate. The Income Statement is translated at the average exchange rate for the year. The exchange differences arising upon translation are taken directly to a separate component of equity. On disposal of an entity using a non-USD functional currency, the deferred cumulative amount recognized in equity relating to that particular entity is recognized in the Consolidated Income Statement.

Transactions in non-USD currencies are initially recorded at the functional currency rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in a currency that differs from the functional currency of an entity are translated into the functional currency at year-end exchange rates. All differences are taken to the Consolidated Income Statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The Company has intercompany loans in USD outstanding that are classified as Net Investments. Therefore, in certain subsidiaries with functional currencies other than USD, the gain or loss arising from the revaluation of these loans at the balance sheet date is directly recognized in Equity.

As of January 1, 2008, the functional currency of all entities will be USD. In accordance with IAS 21, all assets and liabilities will be translated from the current functional currencies to USD on the date of the transition using the foreign currency rates as of December 31, 2007.

The following exchange rates were used for translation to USD:

	2007	2006
Average rates applied for the income statement		
1 EUR	1.37	1.26
1 CHF	0.83	0.80
1 GBP	2.00	1.84
1 CZK	0.05	0.04
Period-end rates applied for the balance sheet		
1 EUR	1.47	1.32
1 CHF	0.89	0.82
1 GBP	2.01	1.96
1 CZK	0.06	0.05

Cash and Short-Term Deposits

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, and short-term low risk highly liquid investments that are readily convertible to known amounts of cash, and have a maturity of up to three months.

For the purpose of the Consolidated Cash Flow Statement, cash and short-term equivalents consist of cash and short-term deposits as defined above.

Trade Receivables, Net

The reported values represent the invoiced amounts, less adjustments for doubtful receivables. Doubtful receivable provisions are established based upon the difference between the receivable value and the estimated net collectible amount. The amount of the respective estimated loss is recognized in the Income Statement within gross margin.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as commodity derivatives and forward currency contracts, to manage its risk associated with commodity price and foreign currency fluctuation. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the derivative financial instruments is either derived from market quotes or obtained based on recent arm's length transactions.

Commodity Instruments

Commodity instruments are used by the Company to manage commodity price fluctuation. The Company primarily uses forward purchase and sales commitments, futures contracts and swaps when managing the commodity price fluctuation. The commodity instruments are valued either based on their market value which is derived from market quotations or based on recent arm's length transactions. Additionally, the Company ensures that these commodity instruments match the actual physical movement for both volume and pricing. Gains and losses on commodity instruments are recorded as materials cost in the Consolidated Income Statement.

Currency Contracts

The Company uses forward exchange contracts to manage the foreign currency risk due to purchase and sale transactions in other currencies, foreign investments and debts denominated in other currencies.

The fair value of forward foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

The Company has currently not designated any of its derivative financial instruments as effective hedges in line with IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures*. All derivatives entered into by the Company are classified as held for trading derivatives. As such, gains and losses from all derivative financial instruments are taken directly to net profit or loss for the year.

The Company does not enter into derivative financial instruments for speculative trading purposes nor does it enter into any speculative hedges.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first-in first-out ("FIFO") method and is accounted for as follows:

Raw materials (crude oil, feedstock)
– purchase cost on a FIFO basis

Finished goods and intermediates
– cost of direct materials and labor and a proportion of manufacturing overhead based on normal operating capacity but excluding borrowing costs.

For determination of the cost of raw materials the relevant purchase contract and the attributable freight costs are considered. The costs of the refined products are built up by identifying the appropriate crude oil cost by reviewing the crude oil run in the refinery for the last month of the reporting period. Additional factors considered include the yield of the refinery, market crack levels and the relevant variable and fixed overhead for the stated month of production. Whenever the net realizable value of a product in stock is lower than its cost value, the stock is remeasured at its net realizable value.

The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Assets and Liabilities classified as held for sale

Disposal groups comprising of assets and liabilities (or non-current assets) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of the disposal group) are remeasured in accordance with the Company's accounting policies. Thereafter, the assets or the disposal group are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis. No loss is allocated to inventory, financial assets and deferred tax assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Intangible Assets

Intangible assets, including software, that are acquired by the Company are stated at cost less accumulated amortization and impairment losses. Where acquired in a business combination, the fair value is allocated in acquisition accounting.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

Amortization is charged to the Income Statement on a straight-line basis over the estimated useful lives of intangible assets, from the moment the assets are available for use. The estimated useful lives are as follows:

Amortization periods	
Software	3 – 5 years
Leasehold	41 years
Other Intangible assets	20 years
Intangible assets under construction	Not depreciated

Property, Plant and Equipment

Property, plant and equipment "PP&E" is stated at cost, less accumulated depreciation and impairment losses. Cost includes the cost of restoring part of the relevant plant and equipment when the recognition criteria are met. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

The carrying value of PP&E is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Where parts of an item of PP&E have different useful lives, they are accounted for as separate items. Routine maintenance costs are expensed as incurred.

PP&E is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement in the year the asset is derecognized. Asset residual values and useful lives are reviewed and adjusted if appropriate at each financial year-end. The useful lives are estimated as follows:

Depreciation periods	
Land	Not depreciated
Buildings	30 – 40 years
Machinery & equipment	2 – 40 years
Other assets	3 – 25 years
Assets under construction	Not depreciated

Capitalized Turnaround Costs

A turnaround is a periodically required standard procedure for maintenance of a refinery that involves the shutdown and inspection of major processing units which occurs approximately every two to five years. Turnaround costs include actual direct and contract labor, material costs incurred for the overhaul, inspection and the replacement of major components of processing and support units performed during turnaround. Turnaround costs, which are included in the Company's balance sheet in PP&E, are depreciated on a straight-line basis over the period until the next scheduled turnaround, beginning the month following completion. The depreciation of the turnaround costs is presented as depreciation in the Consolidated Income Statement.

Investments in Associates

The Company's investment in associates is accounted for using the equity method. An associate is an entity in which the Company has determined it has significant influence but is not considered a subsidiary.

Under the equity method, an investment in an associate is carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associate. After application of the equity method, the Company determines whether it is necessary to recognize any additional impairment loss with respect to the net investment in the associate. The Income Statement reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes and reflects this, or major transactions, when applicable, in the statement of changes in equity.

The reporting dates of the associates are within three months of the reporting period of the Company.

Financial Assets

Financial assets within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available for sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transactions costs. The Company determines the classification of the financial assets at initial recognition and, where appropriate, evaluates this designation at each financial year end.

All regular purchases and sales of financial assets are recognized on the transaction date, the date the Company commits to purchase the asset. Regular purchases and sales are purchases or sales of financial assets that require delivery of those assets within the period generally established by regulation or market place convention.

Financial Assets at Fair Value through Profit or Loss

Financial assets classified as held for trading are included in the category financial assets at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of being sold in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains and losses on investments held for trading are recognized in the Income Statement.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-for-sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale financial assets or are not classified in any of the preceding three categories. After initial recognition, available for sale financial assets are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is derecognized or the investment is determined as being impaired, at which time the cumulative gain or loss previously recorded into equity is recognized in the Income Statement.

The fair value of the investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

Other available-for-sale financial assets, such as investments over which the Company has no significant influence, and whose fair value cannot be reliably measured are stated at cost, less a provision for any prolonged diminution in value. Dividends are recorded when declared.

Impairment of Financial Assets
A financial asset is considered to be impaired if objective evidence indicates that events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its current fair value. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed in group of companies that share similar credit risk characteristics.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through a provision for doubtful accounts. Impaired receivables are derecognized when they are assessed as uncollectible.

All impairment losses are recognized in profit and loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit and loss. 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. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

Discontinued Operations
A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of, is held for sale, or is a subsidiary acquired exclusively with a view to resell. Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale or upon disposal. When an operation is classified as a discontinued operation, the comparative Income Statement is restated as if the operation had been discontinued from the start of the comparative period.

Impairment of non-financial Assets
The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any such indication exists, or, when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's, or cash-generating unit's, fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. Impairment losses of continuing operations are recognized in the Income Statement under the line item depreciation and amortization.

Financial Liabilities
Interest-Bearing Loans and Borrowings
All loans and borrowings are initially recognized at the fair value less directly attributable transaction costs.

The Company capitalizes transaction costs which are netted with the proceeds received. If new debt securities and credit facilities are issued but not drawn, the capitalized transaction costs are presented within other financial assets. The Company amortizes these costs over the maturity period of the debt or over the life of the credit facility. The amortization of these costs is included in interest and finance expense in the Income Statement.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Financial liabilities at fair value through profit and loss
Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit and loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains and losses on liabilities held for trading are recognized in profit and loss.

Borrowing Costs

Borrowing costs are recognized as expense in the period in which they are incurred, except if they are directly attributable to the construction of an asset that meets the determined criteria, in which case they are capitalized as part of the cost of that asset. These determined criteria are as follows: the borrowing costs incurred for the construction can be reliably measured, the asset will take more than six months to become operational and it is an investment. The capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use are completed.

Income Taxes

Current Taxes
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantially enacted, as at the balance sheet date.

Deferred Taxes
Deferred income tax is provided using the liability method on temporary differences, at the balance sheet date, between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill;
- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carry-forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized, except:
- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted, or substantially enacted, at the balance sheet date. Deferred tax assets and liabilities are offset if a legally enforceable right to offset exists and the de-

ferred taxes relate to the same taxable entity and same taxation authority.
Income tax relating to items recognized directly in equity are recognized in equity and not in the Income Statement.

Provisions for Liabilities and Charges

Provisions are recognized only when the Company has a present obligation (legal or constructive) as a result of a past event whereby it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made as to the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset on condition that the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate which reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as financial expense.

Provisions and liabilities for environmental remediation, resulting from past operations or events, are accounted for in the period in which a legal or constructive obligation arises and the amount can be estimated reasonably. Obligations and liabilities are measured on the basis of current legal requirements and existing technology. Environmental expenditures relating to current operations are expensed, or capitalized where such expenditures provide future economic benefits. Obligations and expected insurance pay-outs are accounted for separately.

Retirement Benefit Obligation

The Company operates several different defined benefit plans in the United Kingdom, Switzerland, Germany and Belgium. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting year exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plans.

The past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits vest immediately following the introduction of, or changes to, a pension plan, past service cost is recognized immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognized, reduced by past service cost not yet recognized and the fair value of plan assets out of which the obligations are to be directly settled. If such aggregation is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan, or reductions in the future contributions to the plan.

If the asset is measured as the aggregate of cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognized immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial loss of the current period and past service cost of the current period are recognized immediately. Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above, are recognized immediately if the asset is measured as the aggregate of cumulative unrecognized net actuarial loss and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period, after the deduction of past service cost of the current period, are recognized immediately.

Contributions to pension arrangements based on a defined contribution system are charged to the Income Statement in the year in which they are payable.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset, or assets, and the arrangement conveys a right to use the asset.

Company as a Lessee
Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Operating lease payments are recognized as an expense in the Income Statement on a straight-line basis over the lease term.

Company as a Lessor
Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Related Party Transactions

Transactions between the Company and related parties are disclosed in Note 30, specifying the nature, types and details of the transactions and the relationships.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods
Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Amounts collected on behalf of third parties such as mineral oil taxes, sales taxes and value added taxes are not included in revenue.

Sale of Crude
In certain circumstances the Company enters into transactions for the sale of surplus crude oil that can not be utilized due to operational circumstances or unplanned refinery shut downs. As such transactions are incidental to the main revenue generating activities, the results of such transactions are presented by netting any income with related expenses arising on the same transaction. The net amount realized is included in materials cost in the Income Statement.

Cross Sales and Purchases
A cross sale is a sale to an entity outside of Petroplus under a cross sale/purchase agreement, where a sale is made on the understanding that a quantity, including that of a different grade, is bought back. The purpose of such arrangements is to allow the parties to achieve savings in their distribution costs in the selling of petroleum products. Cross sale and purchase transactions are presented net in materials cost.

For throughput arrangements executed by the Company, the processing fee is recognized as revenue.

Interest Income
Revenue is recognized as interest accrues (using the effective interest method that is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Rental Income
Rental income is recognized on a straight-line basis over the term of the relevant lease.

Segment Reporting

Petroplus has elected to early adopt IFRS 8 *Operating Segment* as of January 1, 2007. This standard requires disclosure of information about the Company's operating segments. IFRS 8 replaces IAS 14 *Segment Reporting*. Petroplus has determined that under IFRS 8 we operate as one segment, the refining operating segment, previously identified as the business segment under IAS 14.

Share-Based Payment Transactions

Employees (including senior executives and members of the Board of Directors) of the Company receive compensation in the form of share-based payments, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). Equity-settled transactions are share options which can be settled only through the issuance of shares or other equity instruments. Share options, which can be settled only in cash, are cash-settled transactions. The Company has only equity-settled transactions.

The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value of share options is determined using the Black-Scholes model, further details of which are provided in Note 24. In determining the fair value of the share options the service condition is not taken into account.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, on a straight-line basis over the period in which service conditions are fulfilled. At each reporting date, based on the Company's best estimate, the expense recognized is adjusted to reflect the actual number of share options that vest.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the new awards are treated as if they were a modification of the original award.

If an equity-settled award is repurchased during the vesting period for fully vested equity instruments, the payment is treated as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Such excess is recognized as expense in the Income Statement in the line item personnel expenses.

Emission Rights

Emission credits that are granted to the Company at no cost are not recorded on the consolidated Balance Sheet and a provision is only recorded when the total of actual emissions at the balance sheet date exceeds the number of granted emission credits held. The provision for such a shortfall is based on the fair value of emission credits at the balance sheet date.

Earnings per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise share options granted to employees.

Cash Flow Statement Presentation

The consolidated statement of cash flows is presented using the indirect method. Cash flows denominated in foreign currencies are translated at average exchange rates. The continuing activity presented in the statement of cash flows is divided between operating, investing and financing activities.

Receipts and expenditures relating to interest, dividends received and income taxes are included within net cash flows from operating activities.

Net cash flows from acquisitions of subsidiaries and equity participations are included within cash flows from investing activities. Net cash flows from disposals of subsidiaries, which were classified as assets and liabilities held for sale, are included within cash flows from discontinued operations.

Dividend distributions are included within net cash flows from financing activities.

Summary of Significant Judgments and Estimates

Use of Estimates

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The Company makes estimates and assumptions concerning the future. The resulting accounting will not necessarily equal the actual results. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, are discussed below.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments apart from those involving estimates, which have the most significant impact on the amounts recognized in the consolidated financial information:

Finance Lease Commitments – The Company has a contract with a third party to provide hydrogen to its Cressier refinery; in the course of evaluating that contract under IFRIC 4 *Determining whether an arrangement contains a lease*, the Company has determined that contract to be a finance lease.

Forward Purchase and Sale Commitments – The Company enters into physical forward sales and purchase contracts for crude oil procurement to deliver refined product to distributors and end customers. The Company has determined that these contracts do not meet the criteria of a derivative financial instrument according to IAS 39 *Financial Instruments: Recognition and Measurement*. This is due to management determination that the function of the activities is to supply crude oil to the refineries and to deliver refined products to distributors and end customers.

Impairment of Assets – In accordance with IAS 36 *Impairment of Assets*, at each balance sheet date, the Company performs an assessment to determine whether there are any indications of impairment. If indications of impairment exist, an impairment test is performed to assess the recoverable amount of the assets. Based on management's assessment, there were no indications of impairment at year end.

Deferred Tax Assets – Deferred tax assets are recognized to the extent that it is probable that there will be future taxable income against which the temporary differences can be utilized. The valuation of future taxable income depends on assumptions that can change through time, with the possibility of significant differences in management's final valuation of deferred income tax. Judgment is required when determining the key assumptions used in the assessment and changes to the assumptions can significantly affect the outcome of the assessment.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

Useful Lives of Property, Plant and Equipment – PP&E is depreciated on a straight-line basis over the estimated useful lives of the assets. The useful lives are estimated by management at the time the assets are acquired and reassessed annually, with the estimated useful lives being based on historical experience with similar assets, market conditions and future anticipated events. The actual useful life might be different from the estimated useful life.

Valuation of Costs in Determining FIFO Inventory – In determining the cost of the Company's oil products in inventory, management must make certain assumptions and estimates in order to develop the production cost of the oil products. While crude oil valuation is directly attributed to relevant purchase contract and freight costs, the value of the refined products cost is built up by identifying the appropriate crude oil cost by reviewing the crude oil run in the refinery for the last month of the reporting period. Additional factors considered include yield of the refinery, market crack levels and the relevant operating and fixed overheads for the stated month of production. Whenever net realizable value is lower than FIFO cost, the net realizable value is considered for valuation purposes. Management periodically reassesses these assumptions and estimates and judgment is required when determining the assumptions. Changes to the assumptions and estimates can significantly affect the outcome of the value of the oil products.

Environmental Costs – We provide for costs associated with environmental remediation obligations when such costs are probable and can be reasonably estimated. Such provisions are adjusted as further information develops or circumstances change.

Standards and Interpretations effective in the current period

In the current year, the Company has adopted IFRS 7 *Financial Instruments: Disclosures* and the consequential amendments to International Accounting Standard ("IAS") 1 *Presentation of Financial Statements*, both effective for annual reporting periods beginning on or after January 1, 2007. The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in the financial statements regarding the Company's financial instruments and management of capital (see Note 28).

Four Interpretations issued by the International Financial Reporting Committee ("IFRIC") are effective for the current period. These are: IFRIC 7 *Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies*; IFRIC 8 *Scope of IFRS 2*; IFRIC 9 *Reassessment of Embedded Derivatives*; and IFRIC 10 *Interim Financial Reporting and Impairment*. The adoption of these Interpretations has not led to any changes in the Company's accounting policies.

Early adoption of Standards and Interpretations

The Company has early adopted the following Standard:

IFRS 8 *Operating Segment* – Petroplus has elected to early adopt IFRS 8 as of January 1, 2007. This standard requires disclosure of information about the Company's operating segments. IFRS 8 replaces IAS 14 *Segment Reporting*. The adoption of this Standard did not have any effect on the financial position or performance of the Company. Petroplus has determined that under IFRS 8 we operate as one segment, the refining operating segment, previously identified under IAS 14. Additional disclosure of this segment is shown in Note 4, including comparative information.

Recently Issued Standards and Interpretations

At the date of authorization of these financial statements, other than the Standards and Interpretations adopted by the Company, the following amended Standards and new Interpretations were issued but are not yet effective:

IFRS 2 *(Revised) Share-based Payment - Vesting Conditions and Cancellations* The amendment which is effective for annual periods beginning on or after January 1, 2009 clarifies that vesting conditions are either service conditions or performance conditions. According to the amendment, a failure to satisfy a non-vesting condition that is within the control of the entity or the counterparty shall be accounted for as a cancellation. The Company has not yet determined the potential effect of this revised standard.

IFRS 3 *(Revised) Business Combinations* The revised standard is effective for annual periods beginning on or after July 1, 2009. The revised standard introduces several changes such as the choice to measure the non-controlling interest in the acquiree either at fair value or at is proportionate interest in the acquiree's net assets, the accounting for additional acquisitions of non-controlling interests as well as the treatment of transaction costs. The Company has not yet determined the potential effect of this revised standard.

IAS 1 *(Revised) Presentation of Financial Statements* The amendments in the Standard include many textual changes (e.g. the "balance sheet" will in the future be referred to as a "statement of financial position"). However, the most significant impact of the amendments to the Standard is that all items of income and expense (including those recognized directly in equity) must be presented either in a single statement of comprehensive income or in a separate income statement and a statement of comprehensive income. IAS 1 (Revised) will become mandatory for the Company's 2009 Consolidated Financial Statements. The amendments will not have an impact on the Company's Net Income but will have a significant effect on the presentation of our Consolidated Financial Statements, especially the disclosure of income and expenses directly recognized in equity.

IAS 23 *(Revised) Borrowing Costs* The amendments to IAS 23 eliminate the option available under the previous version of the Standard to recognise all borrowing costs immediately as an expense. To the extent that borrowing costs relate to the acquisition, construction or production of a qualifying asset, the revised Standard requires that they be capitalized as part of the cost of that asset. All other borrowing costs should be expensed as incurred. IAS 23 (Revised) shall be applied for the Company's 2009 Financial Statements. The amendments in the standard will not change to the Company's accounting policy and has therefore no impact on the Consolidated Financial Statements of the Company.

IAS 27 (*Revised) Consolidated and Separate Financial Statements* According to the revised standards, effective July 1, 2009, changes in the ownership interest of a subsidiary that do not result in a loss of control will be accounted for as an equity transaction. The Company has not yet determined the potential effect of this revised standard.

IAS 32 *Financial Instruments: Presentation (Amended)* and IAS 1 *Presentation of Financial Statements (Amended)* Amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for the Company's 2009 Financial Statements. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Company does not expect these amendments to impact the financial statements of the Company.

IFRIC 11 *Group and Treasury Share Transactions* clarifies the application of IFRS 2 *Share-based Payment* to certain share-based payment arrangements involving the entity's own equity instruments and to arrangements involving equity instruments of the entity's parent. IFRIC 11 will become mandatory for the Company's 2008 Consolidated Financial Statements. The

Company has not yet determined the potential effect of this interpretation.

IFRIC 12 *Service Concession Arrangements* This interpretation gives guidance on the accounting by operators for public-to-private service concession arrangements. IFRIC 12 shall be applied for the Company's 2008 Financial Statements. Petroplus does not have service concession arrangements and therefore this interpretation will have no impact on the Consolidated Financial Statements of the Company.

IFRIC 13 *Customer Loyalty Programmes* addresses the accounting by entities that provide their customers with incentives to buy goods or services by providing awards as part of a sales transaction. IFRIC 13 shall be applied for the Company's 2009 Financial Statements. Petroplus does not have customer loyalty programmes and therefore this interpretation will have no impact on the Consolidated Financial Statements of the Company.

IFRIC 14 *IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* addresses three issues: when refunds or reductions in future contributions should be regarded as available in the context of paragraph 58 of IAS 19 *Employee benefits*; how a minimum funding requirement might affect the availability of reductions in future contributions; and when a minimum funding requirement might give rise to a liability. IFRIC 14 will become mandatory for the Company's 2008 Consolidated Financial Statements. The new interpretation is expected to have no significant impact on the Company's Consolidated Financial Statements.

3 Revenue and Materials Cost

Revenues

(in millions of USD)	2007	2006
Sale of products	13,879.3	6,899.0
Tank rental	13.1	8.3
Handling fee	4.7	5.5
Compulsory stock storage	5.0	9.5
Other	3.0	0.7
Total revenue	**13,905.1**	**6,923.0**

Revenue represents the revenues earned from the sale of refined products and other minor revenues from the processing fees at the Antwerp facility, compulsory stock storage, tank rental and handling fees.

Excise duties are not included in revenues but they are levied on part of the revenues. The excise duties invoiced during the year 2007 amount to USD 3.3 billion (2006: USD 2.3 billion). The increase in 2007 compared to 2006 is due to the acquisition of the Ingolstadt refinery.

Materials Cost

Materials cost represent the cost to purchase crude oil and the gains and losses on commodity instruments. Materials cost for Petroplus included a loss of USD 4.0 million in 2007 (2006: gain of USD 164.3 million) related to refining margin and minimum operating stock hedging activities. All of the minimum operating stock hedging activities were discontinued as of December 31, 2006. As of the 2007 year end all open refining margin contracts have priced and settled. Materials costs also included a loss of USD 84.4 million for the year ended December 31, 2007 (2006: gain of USD 81.7 million) related to our continuing commodity price management program.

Included in materials cost are sales of crude oil. These sales are executed to avoid failures of timely deliveries, delivery shortages of crude oil, and at times a result of operational optimization decisions. These sales occur mainly with refineries that are dependent on crude oil supply by vessels. Therefore, the related primary crude oil purchase is sold at the current market price. The crude oil sales revenue offset against materials cost in 2007 is USD 644.0 million (2006: USD 427.7 million). These sales increased compared to the prior year due to the acquisitions of the Ingolstadt and Coryton refineries and the resulting increase in operations.

4 Segment Information

Segment information is presented in respect of the Company's operating segments together with selected geographical and other company-wide information. Petroplus has elected to early adopt IFRS 8 as of January 1, 2007. IFRS 8 replaces IAS 14 *Segment Reporting*. Comparative information is disclosed accordingly.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating segments

We have one reportable operating segment, refining. Our refining segment includes refining and wholesale marketing operations. Petroplus is an independent refining company with no other operating activities. As such we manage operations on a consolidated basis.

Operating Segments

	Refining		Total Continuing Operations		Discontinued Operations		Total Company	
(in millions of USD)	2007	2006	2007	2006	2007	2006	2007	2006
Total external revenue	13,905.1	6,923.0	13,905.1	6,923.0	1.8	2,213.7	13,906.9	9,136.7
Total revenue	**13,905.1**	**6,923.0**	**13,905.1**	**6,923.0**	**1.8**	**2,213.7**	**13,906.9**	**9,136.7**
Operating profit	385.1	180.2	385.1	180.2	-	20.2	385.1	200.4
Financial income			35.3	42.1	-	-	35.3	42.1
Financial expense			(103.5)	(127.6)	-	-	(103.5)	(127.6)
Foreign currency exchange gain			1.8	4.2	-	-	1.8	4.2
Share of income from associates			-	0.3	-	-	-	0.3
Income tax expense			(8.3)	(25.1)	-	-	(8.3)	(25.1)
(Loss) / Gain on sale of discontinued operation, net of income tax			-	-	(7.1)	349.3	(7.1)	349.3
Net income / (loss)			**310.4**	**74.1**	**(7.1)**	**369.5**	**303.3**	**443.6**
Segment assets	7,466.4	2,933.2	7,466.4	2,933.2	-	81.2	7,466.4	3,014.4
Investments in associates	0.4	0.4	0.4	0.4	-	-	0.4	0.4
Total assets	**7,466.8**	**2,933.6**	**7,466.8**	**2,933.6**	**-**	**81.2**	**7,466.8**	**3,014.8**
Segment liabilities	4,965.3	1,420.3	4,965.3	1,420.3	-	39.4	4,965.3	1,459.7
Total liabilities	**4,965.3**	**1,420.3**	**4,965.3**	**1,420.3**	**-**	**39.4**	**4,965.3**	**1,459.7**
							-	-
Capital expenditure	189.9	68.6	189.9	68.6	-	2.4	189.9	71.0
Depreciation	(160.3)	(74.8)	(160.3)	(74.8)	-	(3.2)	(160.3)	(78.0)
Amortization of intangible assets	(4.0)	(0.1)	(4.0)	(0.1)	-	-	(4.0)	(0.1)

Geographical Information

The following table provides details of total external revenues by geographic market area for the years ended and the non-current assets by location as of December 31, 2007 and 2006. Non-current assets as shown below exclude non-current financial instruments and deferred tax assets. The revenue information is based on the location of the customer:

	External revenue		Non-current assets	
(in millions of USD)	2007	2006	2007	2006
Switzerland	3,319.8	2,746.6	334.8	286.6
United Kingdom	5,505.8	2,072.7	1,548.5	146.2
The Netherlands	441.7	91.0	1.2	-
Belgium	1,004.4	745.4	798.1	657.4
Germany	2,854.2	638.3	709.2	0.1
Rest of the world	779.2	629.0	6.1	3.6
Total	**13,905.1**	**6,923.0**	**3,397.9**	**1,093.9**

Major Customers

The following table gives information about our major customers and the total sales recognized with these third parties. The sales with each customer is compared with total sales of USD 13,905.1 million (2006: USD 6,923.0 million). If the Company sells products to different customers that form a group of companies, these sales are shown as the sales to one customer.

	2007		2006	
(in millions of USD)	Sales	in % of total sales	Sales	in % of total sales
Customer 1	1,315.0	9.4%	430.1	6.2%
Customer 2	926.2	6.7%	639.2	9.2%
Total	**2,241.2**	**16.1%**	**1,069.3**	**15.4%**

5 Additional Income Statement Disclosures

Personnel expenses

(in millions of USD)	2007	2006
Wages, salaries and bonuses	(160.9)	(82.0)
Social security and pension expenses	(38.1)	(18.7)
Contract labor	(13.8)	(6.3)
Expense of share based payments	(12.8)	(0.4)
Other personnel expenses	(12.3)	(8.1)
Total personnel expenses	**(237.9)**	**(115.5)**

Other personnel expenses include mainly recruitment, education and insurance expenses.

Operating expenses

(in millions of USD)	2007	2006
Energy expenses	(78.3)	(33.5)
Chemical expenses	(49.4)	(24.3)
Other selling, general and administrative expenses	(64.6)	(41.9)
Utilities	(3.2)	(1.5)
Maintenance	(113.5)	(21.8)
Project expenses	(8.1)	(12.2)
Safety, health and environmental costs	(2.1)	(4.1)
Total operating expenses	**(319.2)**	**(139.3)**

Financial income

(in millions of USD)	2007	2006
Interest income	21.9	5.3
Gains from derivatives financial instruments	-	36.8
Other financial income	13.4	-
Total financial income	**35.3**	**42.1**

Financial expenses

(in millions of USD)	2007	2006
Interest expenses	(69.3)	(60.2)
Expensed (re)financing costs	(13.2)	(55.0)
Bank and commission fees	(9.4)	(6.2)
Letter of credit expenses	(10.6)	(4.5)
Other financial expenses	(1.0)	(1.7)
Total financial expenses	**(103.5)**	**(127.6)**

6 Taxes

Current Tax

The major components of income tax expense for the years ended December 31, 2007 and 2006 are as follows:

(in millions of USD)	2007	2006
Consolidated Income Statement		
Current Income Tax		
Current Income tax charge	(29.4)	(10.1)
Charges in respect to current tax of previous years	0.6	(0.3)
Deferred Income tax		
Related to origin and reversal of temporary differences	19.2	(16.8)
Related to changes in tax rates	1.3	2.1
Total income tax	**(8.3)**	**(25.1)**
Aggregate current and deferred tax relating to items charged or credited to equity		
Income tax directly recognized in equity	(21.8)	3.2
Total income tax recognized in equity	**(21.8)**	**3.2**

The reconciliation between the actual tax charge and the expected tax charge for the years ended December 31, 2007 and 2006 are as follows:

(in millions of USD)	2007	2006
Total income, thereof	311.6	468.7
from discontinued operations	(7.1)	369.5
from continuing operations	318.7	99.2
Total income from continuing operations before Income taxes	**318.7**	**99.2**
Expected tax charge at head office rate (2007: 12%; 2006: 12%)	(38.2)	(11.9)
Income taxed at different rates	31.5	19.2
Tax effect of expenses not deductible in determining taxable profit	(1.9)	(2.4)
Tax effect of non-taxable income	4.4	2.9
Change in tax rate	1.3	2.1
Adjustment in respect of prior periods	(8.6)	(3.3)
Utilisation of tax losses not previously recognized	24.3	1.5
Deferred tax asset not recognised for tax losses incurred	(22.1)	(34.7)
Other	1.0	1.5
Income tax expense from continuing operations	**(8.3)**	**(25.1)**

Deferred Income Tax

Deferred tax at December 31, 2007 and 2006 relates to the following:

(in millions of USD)	2007	2006
Deferred tax asset		
Timing differences:		
Intangible assets	2.0	3.5
Trade receivables and other receivables	0.7	3.6
Retirement benefit obligation	12.1	3.3
Other assets	0.9	2.1
Tax losses and tax credits available for offset against future taxable income	45.2	4.3
Total deferred tax asset	**60.9**	**16.8**
Deferred tax liability		
Timing differences:		
Property, plant and equipment	365.7	155.4
Intangible assets	7.6	-
Derivative financial instruments	7.7	8.0
Inventories	56.5	0.7
Trade receivables and other receivables	-	0.4
Provisions and other liabilities	27.2	5.6
Total deferred tax liability	**464.7**	**170.1**
Deferred tax liability, net	**(403.8)**	**(153.3)**
Presented in the balance sheet as:		
Deferred tax asset	28.8	5.2
Deferred tax liability	(432.6)	(158.5)
Deferred tax liability, net	**(403.8)**	**(153.3)**

Tax Losses Carried Forward

The deferred tax assets on the loss carry forwards which have been recognized during 2007 relate to Germany and Belgium and can be offset against future profits.

The net tax losses carried forward which remain unvalued equate to USD 94.2 million (December 31, 2006: USD 258.8 million). The losses relate to group companies in Belgium, Switzerland and the Netherlands and have not been valued as their utilization is not probable. The Belgium unvalued net tax losses, under current regulation and local tax law, do not have an expiration period. The unvalued net tax losses in Switzerland and the Netherlands will expire in seven and nine years, respectively.

Tax losses on which no deferred tax assets were recognized are as follows:

(in millions of USD)	2007	2006
Unrecognized tax losses expiry		
Within 1 year	-	-
Between 1 and 4 years	-	-
More than 4 years	40.3	-
Never expire	53.9	258.8
Total unrecognized tax losses	**94.2**	**258.8**

Dividend Distributions

Any dividend distributions would have no or limited tax consequences due to the expected application of relevant EU Directives and Double Tax Treaties.

7 Discontinued Operations

In February 2007, the Company received proceeds of approximately USD 42.5 million in connection with the sale of Dragon and Milford Energy Limited. Proceeds of approximately USD 4.2 million were also received in February 2007 in relation to the sale of Antol N.V. and Jely BVBA. These transactions resulted in a net loss of approximately USD 1.3 million. During the year 2007, an additional loss of USD 4.7 million was realized in connection with provisions taken against certain receivables outstanding from non-core sales in 2006, in addition to the USD 1.1 million loss realized in connection with the final settlement received for the sale of the German tankstorage group in 2006.

Discontinued operations in 2006 relate primarily to the following groups:
- the 4 gas group, engaged in developing and operating liquid gas terminals; was sold for proceeds of USD 295.0 million and resulted in a net gain of USD 279.6 million
- the bunkering group, and the Oxyde Chemicals group; engaged in the wholesale bunkering, chemicals plastics trading and distribution business was sold for USD 147.5 million and resulted in a net gain of USD 15.9 million
- The Petroplus Netherlands, Milford Haven, and German Tankstorage groups, all of which are engaged in the provision of tankstorage facilties to the oil industry; was sold for approximately USD 182.5 million and resulted in a net gain of USD 57.1 million

Various other sales of non core assets occurred in 2006. These have not been separately disclosed as the results do not have a material effect on the overall financial position of the company.

Discontinued operations reflect the results from the operating activities of the assets held for sale and sold during 2007 and 2006.

Further information is also disclosed in Note 32 of the Financial Statements.

The (loss) / profit for the year from the discontinued operation is analyzed as follows:

(in millions of USD)	Note	2007	2006
Profit from discontinued operations		-	20.2
(Loss) / Gain on sale of discontinued operations	32	(7.1)	349.3
(Loss) / Gain from discontinued operations		**(7.1)**	**369.5**

The result of the discontinued operations are as follow:

(in millions of USD)	2007	2006
Revenue	1.8	2,213.7
Material cost	(1.6)	(2,159.9)
Other expenses	(0.2)	(33.6)
Profit before taxes	**-**	**20.2**
Income taxes	-	-
Profit from discontinued operations	**-**	**20.2**

Earnings per share from discontinued operations (in USD)	Note	2007	2006
Earnings per share - basic	23	(0.11)	9.08
Earnings per share - diluted	23	(0.10)	8.76

8 Net Assets held for Sale

During 2006, the Company entered into negotiations with 4Gas B.V. for the sale of shares in Dragon LNG Holding Ltd and Dragon LNG Ltd. (together, "Dragon") and Milford Energy Limited. The sales closed in early 2007 for USD 42.5 million. These assets, along with two entities (Antol N.V and Jely BVBA) as part of the acquisition of EPH and sold in February 2007 for USD 4.2 million, were classified as held for sale at the end of 2006.

The major classes of assets and liabilities classified as held for sale are as follows:

(in millions of USD)	2007	2006
Intangible assets	-	1.7
Property, plant and equipment	-	2.8
Other non-current assets	-	1.6
Inventories	-	0.4
Trade receivables, net	-	2.0
Receivable due from Dragon LNG	-	71.7
Other current assets	-	1.0
Total assets classified as held for sale	**-**	**81.2**
Interest-bearing loans and borrowings	-	-
Trade payables	-	1.5
Payable due to Dragon LNG	-	36.9
Other current liabilities	-	1.0
Total liabilities classified as held for sale	**-**	**39.4**
Net assets held for sale	**-**	**41.8**

9 Cash and Short-Term Deposits

Cash and short-term deposits for the years ended December 31, 2007 and 2006 are as follows:

(in millions of USD)	2007	2006
Cash	60.8	65.1
Short-term deposits	1.7	26.5
Total cash and short-term deposits	**62.5**	**91.6**

Cash at banks earns interest at floating rates based on bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Company. Interest is earned at the respective short-term deposit rates. See Note 29 for the fair value of cash and short-term deposits.

Of the total amount included in cash and short-term deposits at December 31, 2007 USD 29.6 million was pledged under various borrowing agreements (2006: USD 52.8 million).

Cash and short-term deposits are composed of the following currencies:

(in millions of USD)	2007	2006
USD	16.4	32.9
EUR	39.5	20.1
CHF	2.8	32.3
GBP	0.8	0.9
CZK	3.0	5.4
Total cash and short-term deposits	**62.5**	**91.6**

10 Inventories

The carrying amount of inventories carried at net realizable value amounts to USD 323.4 million (2006: USD 634.4 million). There was a write-down of inventories to net realizable value in the amount of USD 12.5 million for the year ended December 31, 2007 (2006: USD 35.2 million). In 2007, no obsolete or slow-moving items have been written off (2006: USD 4.6 million). Of the total amount included in inventories at December 31, 2007 USD 1'836.2 million (2006: USD 730.1 million) was pledged as security for the Company's credit facilities.

(in millions of USD)	2007	2006
Raw materials	1,014.5	359.5
Finished goods	1,077.6	370.3
Other materials	37.4	11.2
Total inventories	**2,129.5**	**741.0**

11 Trade and Other Receivables

Trade receivables

(in millions of USD)	2007	2006
Trade receivables	1,505.3	548.0
Provision for doubtful debt	(2.2)	(1.1)
Total trade receivables, net	**1,503.1**	**546.9**

Trade receivables are non-interest bearing and are generally on 5 to 35 days terms.

At December 31, the aging analysis of trade receivables is as follows:

(in millions of USD)	2007	2006
Neither past due nor impaired	1,308.4	395.3
Past due but not impaired		
less than 30 days	182.9	148.0
between 31 and 60 days	10.0	0.9
between 61 and 90 days	-	0.6
between 91 and 180 days	1.1	1.5
between 181 and 360 days	0.7	-
more than 360 days	-	0.6
Total trade receivables, net	**1,503.1**	**546.9**

At December 31, trade receivables are composed of the following currencies:

(in millions of USD)	2007	2006
USD	314.6	227.5
EUR	536.6	48.8
CHF	148.3	87.8
GBP	493.2	166.7
CZK	10.4	16.1
Total trade receivables, net	**1,503.1**	**546.9**

As at December 31, 2007 trade receivables at nominal value of USD 2.2 million (2006: USD 1.1 million) were impaired and fully provided for. The movements in the provision for impairment of receivables were as follows:

(in millions of USD)	Total	Individually impaired	Collectively impaired
Balance at January 1, 2006	1.2	0.7	0.5
Charge for the year	0.2	0.2	-
Utilised	-	-	-
Unused amount reversed	(0.5)	(0.4)	(0.1)
Currency translation	0.2	0.1	0.1
Balance at December 31, 2006	**1.1**	**0.6**	**0.5**
Charge for the year	1.2	1.2	-
Utilised	(0.3)	(0.3)	-
Unused amount reversed	-	-	-
Currency translation	0.2	0.2	-
Balance at December 31, 2007	**2.2**	**1.7**	**0.5**

Of the total amount included in trade receivables at December 31, 2007 USD 1,336.4 million (2006: USD 500.2 million) was pledged as security for the Company's credit facilities.

Other Receivables, Prepayments and Accrued Income

(in millions of USD)	2007	2006
Receivables from associates	1.8	2.6
Taxes other than company income taxes	85.7	7.5
Other receivables and prepayments	90.8	180.6
Accrued income	-	3.2
Total other receivables and prepayments	**178.3**	**193.9**

Other receivables and prepayments consist mainly of an outstanding receivable on the sale of non-core entities of approximately USD 25.1 million (2006: USD 45.3 million), prepayments for insurance of approximately USD 12.2 million, and receivables in connection with compulsory stock obligations.

In 2006, other receivables and prepayments also included receivables due from the SPE amounting to USD 80.4 million which pertained to the securitized agreement under the RPF, which was cancelled in 2007, and had not been transferred to the bank account as of December 31, 2006.

Of the total amount included in other trade receivables at December 31, 2007 USD 4.4 million (2006: USD 15.9 million) was pledged as security for the Company's credit facilities.

12 Intangible Assets

Changes in intangible assets for the years ended December 31, 2007 and 2006 were as follows:

(in millions of USD)	Notes	Software	Leasehold	Other intangible assets	Intangible assets under construction	Total
Cost						
Balance at January 1, 2006		-	-	-	-	-
Additions through acquisition		1.1	-	-	-	1.1
Balance at December 31, 2006		**1.1**	**-**	**-**	**-**	**1.1**
Additions through acquisition	31	0.1	-	6.0	-	6.1
Final purchase price allocation adjustment	31	-	23.9	-	-	23.9
Additions		15.7	-	0.2	5.8	21.7
Disposals		(1.1)	-	-	-	(1.1)
Currency translation		1.1	2.9	0.3	0.4	4.7
Reclassification		2.4	-	2.2	-	4.6
Balance at December 31, 2007		**19.3**	**26.8**	**8.7**	**6.2**	**61.0**
Accumulated amortization						
Balance at January 1, 2006		-	-	-	-	-
Amortization		0.1	-	-	-	0.1
Balance at December 31, 2006		**0.1**	**-**	**-**	**-**	**0.1**
Amortization		2.9	0.6	0.5	-	4.0
Disposals		(1.1)	-	-	-	(1.1)
Currency translation		0.1	-	0.1	-	0.2
Reclassification		-	-	1.5	-	1.5
Balance at December 31, 2007		**2.0**	**0.6**	**2.1**	**-**	**4.7**
Net carrying amount at						
January 1, 2006		**-**	**-**	**-**	**-**	**-**
December 31, 2006		**1.0**	**-**	**-**	**-**	**1.0**
December 31, 2007		**17.3**	**26.2**	**6.6**	**6.2**	**56.3**

Further information for Leasehold is disclosed in Note 31 under Acquisition of European Petroleum Holdings N.V. in 2006.

13 Property, Plant and Equipment

Changes in property, plant and equipment for the years ended December 31, 2007 and 2006 were as follows:

(in millions of USD)	Notes	Land & Buildings	Machinery & Equipment	Other assets	Assets under construction	Total
Cost						
Balance at January 1, 2006		88.1	435.6	12.3	9.8	545.8
Additions through acquisition	31	3.0	494.2	8.4	15.8	521.4
Additions		0.1	29.0	1.1	38.4	68.6
Disposals		(1.1)	-	(0.3)	(0.1)	(1.5)
Currency translation		9.8	65.6	1.6	2.4	79.4
Reclassification		(18.6)	37.3	0.3	(19.0)	-
Transfer to assets classified as held for sale		(1.6)	(1.1)	(0.1)	-	(2.8)
Balance at December 31, 2006		**79.7**	**1,060.6**	**23.3**	**47.3**	**1,210.9**
Additions through acquisition	31	62.1	1,939.4	10.6	8.6	2,020.7
Final purchase price allocation adjustment	31	-	(3.4)	-	-	(3.4)
Additions		6.6	94.4	1.0	87.9	189.9
Disposals		-	(5.3)	(0.6)	(0.3)	(6.2)
Currency translation		9.7	204.9	3.2	9.7	227.5
Reclassification		1.3	74.1	(4.1)	(76.1)	(4.8)
Balance at December 31, 2007		**159.4**	**3,364.7**	**33.4**	**77.1**	**3,634.6**
Accumulated depreciation						
Balance at January 1, 2006		0.9	29.9	5.5	-	36.3
Depreciation		3.8	67.5	3.5	-	74.8
Disposals		-	(0.3)	-	-	(0.3)
Currency translation		0.2	6.5	0.9	-	7.6
Balance at December 31, 2006		**4.9**	**103.6**	**9.9**	**-**	**118.4**
Depreciation		2.9	152.8	4.6	-	160.3
Disposals		-	(3.3)	-	-	(3.3)
Currency translation		0.6	17.8	1.1	-	19.5
Reclassification		-	(1.5)	-	-	(1.5)
Balance at December 31, 2007		**8.4**	**269.4**	**15.6**	**-**	**293.4**
Net carrying amount at						
January 1, 2006		87.2	405.7	6.8	9.8	509.5
December 31, 2006		74.8	957.0	13.4	47.3	1,092.5
December 31, 2007		**151.0**	**3,095.3**	**17.8**	**77.1**	**3,341.2**

The carrying amount of finance leases included in equipment as of December 31, 2007 is USD 32.8 million (2006: USD 29.6 million).

Of the total amount included in PP&E at December 31, 2007 USD 10.6 million (2006: USD nil) was pledged as security for the Company's credit facilities.

14 Investments in Associates

The Company has the following investments in associates:

PLG Pflichtlagergesellschaft für Mineralöle ("PLG") AG, Zug, Switzerland, is an entity established for administration and management of the compulsory stock obligation of the Company, BP, Shell and others as set by the government. The Company holds 35% of PLG in line with the volume of the Company's compulsory stock obligation in Switzerland. The Swiss entity is not listed on a public stock exchange.

SOGEP Société Genevoise des Pétroles ("SOGEP") SA, Vernier, Switzerland, is an entity that operates a tank storage facility in Geneva for its majority shareholders, being Shell, Esso and the Company (32% shareholding). The entity is not listed on a public stock exchange.

Sempachtank AG, Neuenkirch, Switzerland, is an entity that operates a tank storage facility in Neuenkirch for its shareholders, being the Company, Dillier-Wyrsch, Josef Gut AG, Cica S.A., Voegtling-Meyer AG and others. The shares were acquired in January 2006. The entity is not listed on a public stock exchange.

The financial reporting date of PLG and SOGEP does not differ from the Company's financial reporting date of December 31. The financial reporting date of the Sempachtank AG is September 30. The Financial Statements of Sempachtank AG are adjusted by significant effects, if any, for the period between September 30 and December 31.

The following table illustrates the summarized financial information of the Company's investments in associates for December 31, 2007 and 2006:

(in millions of USD)	December 31, 2007 PLG	SOGEP	Sempach-tank AG	Total	December 31, 2006 PLG	SOGEP	Sempach-tank AG	Total
Current Assets	49.9	0.4	0.1	**50.4**	42.6	0.4	0.1	**43.1**
Non-current Assets	-	6.9	2.0	**8.9**	-	6.4	1.9	**8.3**
Current Liabilities	(49.0)	(7.2)	(0.1)	**(56.3)**	(41.7)	(6.7)	(0.2)	**(48.6)**
Non-current liabilities	-	-	(1.9)	**(1.9)**	-		(1.7)	**(1.7)**
Net Assets	0.9	0.1	0.1	**1.1**	0.9	0.1	0.1	**1.1**
	35%	32%	22%		35%	32%	22%	
Company's share of associates, net assets	**0.4**	**0.0**	**0.0**	**0.4**	**0.4**	**0.0**	**0.0**	**0.4**

(in millions of USD)	For the year ended 2007 PLG	SOGEP	Sempach-tank AG	Total	For the year ended 2006 PLG	SOGEP	Sempach-tank AG	Total
Revenue	6.3	3.3	0.3	**9.9**	5.4	3.1	0.3	**8.8**
Income	0.0	0.0	0.0	**0.0**	0.6	0.3	-	**0.9**
	35%	32%	22%		35%	32%	22%	
Company's share of associates, revenue	**2.2**	**1.1**	**0.1**	**3.4**	**1.9**	**1.0**	**0.1**	**3.0**
Company's share of associates, income	**0.0**	**0.0**	**0.0**	**0.0**	**0.2**	**0.1**	**-**	**0.3**

15 Financial Assets available for Sale

Entity		2007	2006
SAPPRO SA (Société du Pipeline à produits pétroliers sur	Ownership	15.6%	15.6%
territoire genevois), Vernier, Switzerland	Carrying value (in million USD)	0.6	0.6
RBE - Rheinische Bio Ester GmbH & Co. KG,	Ownership	15.0%	15.0%
Neuss, Germany	Carrying value (in million USD)	1.7	1.6
Other	Carrying value (in million USD)	0.5	-
Total financial assets available for sale		**2.8**	**2.2**

For SAPPRO SA (Société du Pipeline à produits pétroliers sur territoire genevois) and RBE – Rheinische Bio Ester GmbH & Co. KG, the fair value could not be determined reliably and therefore they are valued at cost.

The Company recognizes dividend income from investments when such are declared.

The shares of the above entities are unquoted.

16 Other Financial Assets

The 2007 balance includes long-term loan receivables of USD 0.8 million. In 2006, other financial assets included capitalized financing costs resulting from the facility agreement of USD 1.2 billion. The 2006 capitalized financing costs were amortized over three years which is equivalent to the facility agreement's duration period. In 2007, these capitalized financing costs are off-set with the current portion of our interest bearing loans and borrowings (See Note 17).

17 Interest Bearing Loans and Borrowings

(in millions of USD)	2007	2006	Interest rate	Maturity	Currency
Non-current					
Senior note	600.0	-	6.75%	May 2014	USD
Senior note	600.0	-	7.00%	May 2017	USD
Senior notes (at nominal value)	**1,200.0**	**-**			
Senior notes (at amortized cost)	1,183.4	-			
Total non-current	**1,183.4**	**-**			
Current					
Credit facilities	2.4	-	5.0% - 9.0%	On demand	EUR/USD/GBP
Revolving credit facility ("RCF")	156.3	-	LIBOR + 1.0%	On demand	USD
Total current (at nominal value)	**158.7**	**-**			
Current loans and borrowings (at amortized cost)	149.7	-			
Total non-current	**149.7**	**-**			

Senior Notes

On May 1, 2007, Petroplus Finance Ltd., a subsidiary of the company issued USD 600 million, 6.75% senior notes due 2014 and USD 600 million, 7% senior notes due 2017 (together the "Notes"). The Company used the proceeds from the Notes primarily to fund the acquisition of the Coryton refinery. The total USD 1.2 billion Notes are presented on the Balance Sheet as non-current interest bearing loans and borrowings reduced by capitalized financing costs. The capitalized financing costs of approximately USD 18.1 million are amortized over 7 and 10 years.

Working Capital Facilities

Inventory Revolving Credit Facility

Certain of our subsidiaries are party to a USD 1.2 billion committed multicurrency secured revolving credit facility agreement dated December 23, 2005 and amended most recently on July 13, 2007 (the "RCF"). The amended facility includes an option to increase the facility amount to up USD 2.0 billion on a pre-approved but uncommitted basis in connection primarily with increased working capital needs as a result of future acquisitions. Moreover the Company can obtain additional availability on an uncommitted basis under the same facility. As of December 31, 2007, the Company had an additional uncommitted line under the RCF of USD 1.4 billion, bringing the total size of the RCF to USD 2.6 billion.

The RCF is available, subject to a working capital borrowing base, in the form of revolving loan advances, bank overdraft advances and certain payment instruments, including documentary letters of credit, standby letters of credit, letters of indemnity and bank guarantees. For the committed part, cash borrowings and revolving loans together may not be more than 60% of the total amount of the committed amount of the RCF. There are no such restrictions on the uncommitted part. Bank overdrafts are limited to USD 100 million. Revolving loans and bank overdrafts under the RCF bear interest at a rate that is the aggregate of a margin of 1.0% per year and LIBOR (or, in relation to any revolving loan in Euro, EURIBOR) and any mandatory costs. This margin could be increased by 25 or 50 basis points if the ratio of total term borrowings to consolidated tangible net worth is more than 1 or 1.5, respectively. Commissions on payment instruments vary depending upon the instrument type.

The borrowings under the RCF are jointly and severally guaranteed by certain of our subsidiaries and such borrowings are secured by certain assets of the borrowers and of the guarantors, the form of such security includes certain pledges of bank accounts, inventory, trade receivables and other assets. The RCF terminates on December 21, 2009.

The balance of bank loans and overdrafts outstanding under the RCF was USD 156.3 million and the capitalized financing costs under the RCF amounts to USD 9.0 million as of December 31, 2007. The capitalized financing costs are amortized over three years. There were no outstanding drawings as of December 31, 2006.

Receivables Purchase Facility
Certain of our subsidiaries were parties to a USD 400 million master trade receivables purchase facility agreement dated February 23, 2006 (as amended, the "Receivables Purchase Facility" or "RPF"). The RPF was guaranteed by certain of our subsidiaries and was secured by certain assets of the sellers or receivables under the facility, certain of our other subsidiaries and the SPE purchaser under the facility. The form of such security included certain pledges of bank accounts, inventory, insurance and other assets. However, notice of termination was communicated by Petroplus on June 6, 2007 with effect 30 days after the date of the notice and was fully repaid on July 6, 2007. The relating capitalized financing costs amounting to USD 5.8 million were fully written off as of June 30, 2007 and accounted for under financial expenses. There were no outstanding drawings as of December 31, 2006.

Other Working Capital Facilities
Some of our subsidiaries have smaller working capital facilities available of which USD 2.4 million were drawn upon as of December 31, 2007. There were no outstanding drawings as of December 31, 2006.

Credit Facility
On March 27, 2007, the Company signed a USD 400 million three month Uncommitted Facility Letter with BNP Paribas, the purpose of which was to finance the working capital portion of the Ingolstadt refinery acquisition until the assets were acquired and could be used as collateral to borrow against under the RCF. There was a further option related to the working capital portion of the Coryton refinery acquisition. The loan was repaid in the beginning of May 2007 with the proceeds received from the April 2007 equity offering.

Repayment of Debt in 2006
In 2006, the company fully repaid all outstanding debts, both long-term Senior Debt and short-term working capital borrowings, with the proceeds received from the sale of non-core assets and the Initial Public Offering in November 2006.

Covenants
In 2007 and 2006, our working capital and other facilities contained covenants that restricted certain of our activities, including restrictions on creating or permitting to subsist certain security, engaging in certain mergers or consolidations, sales or other disposals of certain assets, giving certain guarantees, making certain loans, making certain investments, incurring certain additional indebtedness, engaging in different businesses, making certain dividend, debt or other restricted payments, and amending or waiving certain material agreements.

The RCF Agreement also contains certain financial covenants, including covenants requiring us to maintain;
- a minimum consolidated tangible net worth of USD 650 million plus 25% of our net income starting with 2007 net income, up to a maximum of USD 975 million; and
- a minimum ratio of EBITDA to net interest expense of 2.2:1, with such ratio increasing on December 31, 2007 to 2.5:1 until maturity.

Compliance with these covenants, including the calculation of EBITDA, is determined in the manner specified in the documentation governing the amended RCF.

For the years ended December 31, 2007 and 2006 the Company met the requirements of all covenants.

18 Trade and Other Payables

(in millions of USD)	2007	2006
Trade payables	1,590.8	567.9
Total trade payables	**1,590.8**	**567.9**
Taxes other than income taxes	901.0	218.5
Other payables and accrued expenses	348.9	97.5
Total other payables and accrued expenses	**1,249.9**	**316.0**

At December 31, 2007 USD 348.9 million (2006: USD 97.5 million) was recorded as other payables and accrued expenses which primarily related to German compulsory stockpiling of oil products, prepayments received, personnel expenses, general expenses, interest and invoices to be received and recorded within the period.

Taxes other than income taxes consist of excise duties, value added taxes, withholding taxes and wage taxes.

Trade payables are non-interest bearing and normally settled between 5 and 30 days. Other payables are non-interest bearing and have an average term of one to three months.
At December 31, trade payables are composed of the following currencies:

(in millions of USD)	2007	2006
USD	1,333.5	70.5
EUR	136.2	72.6
CHF	69.8	386.0
GBP	46.7	26.1
CZK	4.6	12.7
Total trade payables	**1,590.8**	**567.9**

Other payables are mainly composed of currencies in USD, EUR, GBP and CHF.

19 Employee Benefits

The Company has several different defined benefit pension plans (in the United Kingdom, Switzerland, Germany and Belgium) covering substantially all of its employees, requiring contributions to be made to separately administered funds.

The principal assumptions used in determining the pension obligation for the plans are shown below and are based on weighted averages:

Assumptions (weighted averages)	2007	2006
Discount factor	4.9%	3.9%
Expected investment yield	4.9%	4.9%
Future pay increases	2.9%	2.4%
Future pension increases	2.0%	1.7%

The assumptions other than expected investment yield are weighted on the present value of the respective defined benefit obligations. The overall expected investment yield is a weighted average of the expected returns of the different asset categories as shown below. The assessment of the expected returns on investments by the Company is based on historical return trends and analysts' predictions of the market for the respective categories.

Demographic (including mortality) assumptions are based on the advice of local independent actuaries. Mortality assumptions are based on the latest available standard mortality tables for the individual countries concerned, adjusted where appropriate to reflect the experience of the Company's employees.

Changes in the present value of the defined benefit obligation are as follows:

(in millions of USD)	2007	2006
Defined benefit obligation at January 1,	156.5	128.7
Obligation acquired on acquisition	141.3	11.8
Interest cost	7.9	5.6
Current service costs	16.8	6.0
Contributions by plan participants	4.0	2.2
Benefits paid	(5.4)	(7.1)
Actuarial gain on obligation	(10.1)	(5.7)
Plan curtailments / settlements	(1.2)	1.2
Exchange differences	15.4	13.8
Defined benefit obligation at December 31,	**325.2**	**156.5**

During 2007, the Company acquired businesses in the United Kingdom and Germany and the corresponding defined benefit obligations acquired as a result of these transactions amounted to USD 141.3 million, while the pension assets received amounted to USD 96.6 million.

Changes in fair value of plan assets are as follows:

(in millions of USD)	2007	2006
Fair value of plan assets at January 1,	142.2	110.0
Plan assets acquired on acquisition	96.6	7.2
Expected return on assets	7.6	6.1
Contributions by employers	19.4	7.5
Contributions by plan participants	4.0	2.3
Benefits paid	(5.4)	(7.1)
Plan settlement	(1.2)	0.3
Actuarial (loss) / gain	(2.5)	4.1
Exchange differences	10.4	11.8
Fair value of the plan assets at December 31,	**271.1**	**142.2**

The following tables summarize the funded status amounts recognized in the consolidated balance sheet for the respective employee benefit plans and components of net benefit expense recognized in the Consolidated Income Statement.

Retirement Benefit Obligation

(in millions of USD)	2007	2006
Defined benefit obligation at December 31,	(288.2)	(152.5)
Fair value of plan assets at December 31,	271.1	142.2
Deficit	**(17.1)**	**(10.3)**
Present value of unfunded defined benefit obligation at December 31,	(37.0)	(4.0)
Unrecognized net actuarial gain	(15.3)	(13.9)
Retirement benefit obligation	**(69.4)**	**(28.2)**

The net benefit expense is recognized in personnel expenses on the Income Statement.

Net Benefit Income / (Expense)

(in millions of USD)	2007	2006
Current service costs	(16.8)	(6.0)
Interest cost on benefit obligation	(7.9)	(5.6)
Expected return on plan assets	7.6	6.1
Net actuarial gain / (loss) recognized in the year	0.6	(0.3)
Past service costs	-	(1.2)
Plan curtailments / settlements	(0.2)	-
Net benefit (expense) / income	**(16.7)**	**(7.0)**

The Company recognizes as net benefit expense the portion of actuarial gains and losses for each defined benefit plan which exceeds a 10% corridor (determined as 10% of the greater of the plan assets or defined benefit obligations), divided by the expected average remaining working lives of the employees participating in that plan.

Total employer contributions to the defined benefit pension plans in 2008 are expected to be approximately USD 4.5 million.

The major categories of plan assets at the balance sheet dates are as follows:

(in %)	2007	2006
Equity instruments	52.5	52.4
Debt instruments	30.5	18.5
Property	9.6	13.2
Other assets	7.4	15.9
	100.0	**100.0**

The actual return on plan assets for 2007 was USD 5.1 million (2006: USD 7.8 million).

The plan assets do not include any of the Company's own financial instruments, nor any property occupied by, or other assets used by, the Company.

The history of experience adjustments are as follows:

(in millions of USD)	2007	2006	2005
Defined benefit obligation at December 31,	(325.2)	(156.5)	(128.7)
Fair value of plan assets at December 31,	271.1	142.2	110.0
Deficit at December 31,	**(54.1)**	**(14.3)**	**(18.7)**
Experience adjustment loss / (gain) on plan liabilities	3.1	(5.2)	(0.5)
Experience adjustment (loss) / gain on plan assets	(2.5)	4.1	10.6

20 Provisions

(in millions of USD)	Litigation	Environmental remediation	Other	Total
Balance at January 1, 2006	-	2.2	-	2.2
Additions acquired through acquisition	-	20.9	4.8	25.7
Additions	0.7	4.9	6.0	11.6
Utilized	-	(0.6)	-	(0.6)
Transfer to liabilities classified as held for sale	-	(0.1)	-	(0.1)
Balance at December 31, 2006	**0.7**	**27.3**	**10.8**	**38.8**
Additions acquired through acquisition	-	3.3	-	3.3
Additions	0.4	3.4	2.0	5.8
Utilized	-	-	(1.5)	(1.5)
Reductions from remeasurement	-	-	(6.2)	(6.2)
Currency translation	-	3.3	1.0	4.3
Balance at December 31, 2007	**1.1**	**37.3**	**6.1**	**44.5**

Litigation

The litigation provision relates primarily to a claim made by a former employee for circumstances surrounding termination of the employee's employment contract dating back to September 2004. Proceedings have been stayed until certain questions in connection with the case are resolved. At this point in time, the outcome of the litigation is difficult to estimate; however the company disputes all allegations surrounding this case. A second provision was recorded in June 2007, in conjunction with a claim filed against the company arising out of what is alleged to be an unfit cargo of gasoil. The cargo supplied was tested and found to be on specification at loadport, however, the defendant has claimed that the cargo was not able to withstand an ordinary voyage so as to arrive at the discharge port still meeting the specification for sediment. The company has provided for USD 1.1 million associated with potential costs of both cases described above.

Environmental Remediation

The provisions for environmental matters are recorded on a site-by-site basis when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated.

BRC Refinery

Soil and groundwater contamination has been identified on various areas throughout the site. Cost estimates obtained for remediation are based on different scenarios, the most reasonable scenario being estimated at approximately USD 24.5 million. The necessity and extent of remediation is based on regulations determined by the Flemish authorities. Currently, the remediation plan and an agreed upon timeline has not been approved by the local authorities.

Cressier Refinery

Soil and groundwater contamination has been detected at the site. A groundwater control system is in place, however it is not certain that all contaminated groundwater is being contained. Potential remediation costs are estimated at USD 0.5 million, however a concrete remediation plan has not yet been determined.

Teesside Refinery

Soil contamination has been detected on site. The liability for historical contamination is the responsibility of the land's owner. According to a recent PCC (pollution prevention and control) permit, the operator has to remediate any contamination that results from the permitted activities. Therefore, contamination detected as a result of obligatory monitoring that cannot be related to the period before the permit was issued become the responsibility of the Company. The estimated costs to demolish an old oil pump bay and remediate the contaminated soil is estimated at approximately USD 2.0 million.

Antwerp Processing Facility

Soil contamination has been detected at both Petroplus Refining Antwerp and Petroplus Refining Antwerp Bitumen. A remediation plan has been drafted, however not yet agreed with the authorities. The combined estimated costs for remediation at the Antwerp sites is approximately USD 6.2 million.

Ingolstadt Refinery
In 2006, an environmental due diligence assessment was performed on a portion of the land in Ingolstadt. Based on this report, and assessments made by internal environmental specialists, estimated costs of remediation projects and groundwater monitoring are approximately USD 3.8 million.

Coryton Refinery
There are currently no existing obligations for remedial action at the Coryton site.

Other
Amounts included in other provisions relate primarily to an early retirement scheme in Belgium for which employees can opt for early retirement from the age of 56 onwards, if certain criteria are met. Payments are made until the person reaches the legal pension age in Belgium of 65. During 2007, the company released a provision in the amount of USD 6.2 million for un-metered natural gas consumption. Refer to Note 26 “Other Commitments and Contingencies” for further information.

Emission Rights
At year end 2007 the total of actual emissions did not exceed the number of granted emission credits held. As there was a surplus, no provision was recorded at year end 2007.

21 Minority Interest

Minority interest represents the portion of profit or loss and net assets in subsidiaries that are not held by the Company and are presented separately within the Consolidated Income Statements and within equity in the Consolidated Balance Sheets.

22 Shareholders' Equity

		2007			2006		
	Nominal value per share in CHF	Share Capital in millions of USD	Share Capital in millions of CHF	Number of shares	Share Capital in millions of USD	Share Capital in millions of CHF	Number of shares
Issued share capital	9.18	517.4	630.1	68,641,599	459.7	560.3	61,036,600
Authorized share capital	9.18	187.5	228.3	24,868,300	131.5	160.4	17,468,300
Conditional share capital	9.18	111.3	135.6	14,770,301	168.3	205.4	22,375,300

The share capital at December 31, 2007 amounts to USD 517.4 million (CHF 630.1 million) translated at the historical foreign exchange rate at the date of the relevant transactions and are fully paid. No preference shares have been issued during the period and the Company did not hold any treasury shares at year end.

Details of Share Capital Movements
Prior to the reverse acquisition on August 21, 2006, where Petroplus Holdings AG issued shares in exchange for all shares in RIVR, RIVR was considered the ultimate holding company of the group. The movements in the share capital over the last two years, expressed in number of shares, are as follows:

(Number of shares)	Petroplus Holdings AG	RIVR Acquisition B.V.
January 1, 2006	**-**	**242,187,500**
February 20, 2006 [1)] to August 21, 2006	2,218,450	
August 21, 2006 [2)]	38,118,150	(242,187,500)
November 29, 2006 [3)]	18,000,000	
December 5, 2006 [4)]	2,700,000	
December 31, 2006	**61,036,600**	**-**
April 25, 2007 [5)]	7,600,000	
During the period [6)]	4,999	
December 31, 2007	**68,641,599**	**-**

1) Petroplus Holdings AG (formerly Argus Atlantic Energy Limited) was incorporated in Bermuda with an authorized share capital of USD 48,000, comprising 4,800,000 common shares of par value USD 0.01 per share. On February 23, 2006, the authorized share capital was increased from USD 48,000 to USD 2.0 million, of which USD 48,000 comprised 4,800,000 common shares of par value USD 0.01 per share were issued on that day. In the course of a consolidation of Argus's share capital on July 28, 2006, the par value of the common shares was increased from USD 0.01 to USD 7.50 per share by leaving the issued share capital unchanged at USD 48,000, resulting in 6,400 issued common shares of par value USD 7.50 each. Immediately following the consolidation, 137,600 bonus shares of par value USD 7.50 were issued out of the authorized share capital of USD 2.0 million, resulting in a total issued share capital of USD 1.1 million, consisting of 144,000 common shares of par value USD 7.50 each. On August 1, 2006, Argus's authorized share capital was increased from USD 2.0 million to USD 750.0 million, out of which USD 15.6 million comprised 2,074,450 common shares at par value USD 7.50 per share that were issued on the same day, leading to a total issued share capital of USD 16.6 million, consisting of 2,218,450 common shares at par value USD 7.50 each.

2) On August 21, 2006, Argus Atlantic Energy Limited's issued share capital was increased from USD 16.6 million to USD 302.5 million by issuing 38,118,150 common shares of par value USD 7.50 out of Argus's authorized share capital of USD 750.0 million. These 38,118,150 common shares were issued to RIVR Holding B.V. in exchange for shares in RIVR. Upon its migration to Switzerland on August 22, 2006, Argus's issued share capital amounted to USD 302.5 million, consisting of 40,336,600 common shares of par value USD 7.50. When registered in Switzerland, the existing share capital was converted from dollars into Swiss Francs, resulting in an issued share capital of CHF 370.3 million, divided into 40,336,600 fully paid-up registered shares with a nominal value of CHF 9.18 each.

3) Pursuant to a shareholders' resolution adopted at an extraordinary shareholders' meeting held on November 29, 2006, the share capital of Petroplus Holdings AG was increased on November 29, 2006 by CHF 165.2 million from CHF 370.3 million to CHF 535.5 million through the issuance of 18,000,000 shares with a nominal value of CHF 9.18 each. The existing shareholders waived their pre-emptive rights and the share capital increase was registered in the Commercial Register of the Canton of Zug, Switzerland, on November 29, 2006.

[4] On December 5, 2006, the Board issued 2,700,000 shares with a total nominal value of CHF 24.8 million. The shares were issued due to the exercise of the over-allotment option granted in the course of the IPO.
[5] On April 25, 2007, the Company completed a rights offering whereby the Company issued 7,600,000 new registered shares with a nominal value of CHF 69.8 million.
[6] During 2007 a total of 4,999 new shares were created out of the conditional share capital due to the exercise of options granted under the Equity Participation Plan.

Authorized Share Capital

At the shareholders' meeting held on May 9, 2007, the Board of Directors ("BoD") received the authorization to increase the share capital at any time until May 8, 2009 by a maximum amount of CHF 137.7 million by issuing a maximum of 15,000,000 fully paid shares with a nominal value of CHF 9.18 each. The additional existing authorized share capital of 9,868,300 shares will expire on November 29, 2008. It will be reduced by the amount used by the BoD regarding the share capital increases out of the conditional share capital based on the Articles of Association of Petroplus Holdings AG. The BoD is entitled to issue these shares by means of a firm underwriting or in partial amounts. The outstanding authorized share capital as of December 31, 2007 amounts to USD 187.5 million (CHF 228.3 million), comprising of 24,868,300 shares.

Conditional Share Capital

The conditional share capital is reduced by the amount used by the BoD regarding share capital increases out of authorized share capital based on the Articles of Association of Petroplus Holdings AG or through the exercise of options granted under our Equity Participation plan. During 2007 a total of 4,999 shares were created out of the conditional share capital due to options exercised. The outstanding conditional share capital at December 31, 2007 amounts to USD 111.3 million (CHF 135.6 million), comprising of 14,770,301 shares.

Capital Increase 2007

During April 2007, the Company completed a rights offering whereby the Company issued 7.6 million new registered shares from existing authorized capital. The shares were offered at a price of CHF 100.00 and traded for the first time on April 25, 2007. The net proceeds were approximately USD 606.5 million (CHF 733.9 million). The proceeds received were primarily used to repay the existing drawings on working capital facilities at that time.

Initial Public Offering

The Company received net proceeds from the issuance of 20,700,000 shares upon IPO on November 30, 2006 and the exercise of the over-allotment option thereafter of USD 1.0 billion. The Company recorded directly attributable costs of USD 46.2 million, of which USD 42.9 million have been recorded directly in equity.

Equity Instruments

Petroplus has granted a total of 3,712,634 options to members of the BoD, Senior Management and employees. 2,420,134 of these options were granted by Petroplus Holdings AG to those individuals in their capacity as investors in connection with purchases of our shares and are not dependent upon their employment or service. Each of these options provides the holder the right to purchase one share at a price of USD 15.80, becomes fully vested upon a change of control of Petroplus Holdings AG (including certain changes in the majority of the BoD), has a duration of ten years and is subject to the further terms and conditions of the Equity Incentive Plan under which it was issued. Out of the total of 2,420,134 options, 1,109,225 vested upon the IPO of the Company on November 30, 2006 another 1,109,225 options will vest on July 31, 2008 and the remaining 201,684 options will vest on June 1, 2009.

The second plan, the Equity Participation Plan, has 1,191,666 options outstanding at December 31, 2007. These options were granted by BoD between November 30, 2006 and December 31, 2007. Each of these 1,191,666 options provides the holder with the right to purchase one share at an exercise price between CHF 63.00 and CHF 130.00. The options have a duration of ten years and will vest in equal amounts on the first, second and third anniversary of the respective grant date. Further details on the Equity Participation Plan are described in Note 24. In 2007, a total of 4,999 options were exercised.

Dividend Policy

Under Swiss law, the extent to which shareholders' equity is freely distributable is not determined by the consolidated financial information but rather by the Company's Statutory Financial Statements prepared in accordance with Swiss law. No dividends were paid or proposed during the period presented. However the BoD will propose a repayment of nominal share capital in the amount of CHF 1.00 per share (see page 155 of the Statutory Financial Statements of Petroplus Holdings AG).

23 Earnings per share

The following table shows the basis of income used for the calculation of basic and diluted earnings per share (“EPS”):

Income

(in millions of USD)	2007	2006
Net income attributable to ordinary shareholders of the parent	303.3	443.4
Net (loss) / income from discontinued operations	(7.1)	369.5
Net income from continuing operations attributable to ordinary shareholers of the parent	310.4	73.9

Basic EPS is calculated by dividing the net income attributable to shareholders of Petroplus Holdings AG by the weighted average number of shares outstanding.

Basic earnings per share	2007	2006
Weighted average number of shares outstanding (in shares)	66,263,340	40,690,850
Basic earnings per share calculated on:		
Income from continuing operations (in USD)	4.68	1.82
Discontinued operations (in USD)	(0.11)	9.08
Net income attributable to ordinary shareholders of the parent (in USD)	**4.57**	**10.90**

To calculate diluted EPS, the weighted average number of shares outstanding is adjusted to assume conversion of all potentially dilutive shares arising from options on Petroplus Holidngs AG shares.

Diluted earnings per share	2007	2006
Weighted average number of shares outstanding (in shares)	68,332,992	42,152,871
Diluted earnings per share calculated on:		
Income from continuing operations (in USD)	4.54	1.75
Discontinued operations (in USD)	(0.10)	8.76
Net income attributable to ordinary shareholders of the parent (in USD)	**4.44**	**10.51**

Calculation of weighted average number of dilutive shares	2007	2006
Weighted average number of ordinary shares for basic earnings per share	66,263,340	40,690,850
Effect of dilution of share options	2,069,652	1,462,021
Weighted average number of ordinary shares adjusted for the effect of dilution	**68,332,992**	**42,152,871**

Options equivalent to 705,000 shares (2006: 322,500 shares) were excluded from the calculation of diluted EPS as they were anti-dilutive. There have been no material transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the Consolidated Financial Statements.

24 Share-based Payments

The share option scheme of the Company, the Equity Participation Plan, is an equity-settled share-based payment plan. The services the Company receives from management and personnel in exchange for the options being rewarded do not qualify for recognition as assets and are therefore recognized as expenses.

Each option converts into one ordinary share of Petroplus Holdings AG upon exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. The options may be exercised at any time from the date of vesting to the date of expiry. The options can only be exercised when the employee remains in the Company's employ or service.

Options outstanding

Grant	Exercise price (in CHF)	Number outstanding	Remaining contractual life (years)
Nov. 2006	63.00	221,666	8.9
Jan. 2007	73.95	265,000	9.0
Feb. 2007	95.25	15,000	9.1
May 2007	99.35	160,000	9.3
Jul. 2007	130.00	305,000	9.6
Aug. 2007	122.10	30,000	9.7
Nov. 2007	96.50	195,000	9.8
	94.84	**1,191,666**	**9.3**

The options, as depicted above, have a three-year graded vesting scheme, with one third of the options vesting each year. The options will be fully vested on the third anniversary of the grant date.

The weighted average fair value of the share options granted during the financial year is CHF 40.12 (2006: CHF 22.50) per option. In connection with the adoption of IFRS 2 *Share-based Payment* we assessed our valuation technique and related assumptions. Consistent with the provisions of IFRS 2, we estimated the fair value of stock options on the date of grant using the Black-Scholes Option Valuation Model using the assumptions in the following table:

	2007						2006
Assumptions	January	February	May	July	August	November	November
Closing price at grant date (in CHF)	73.95	95.25	99.35	130.00	122.10	96.50	63.00
Exercise price (in CHF)	73.95	95.25	99.35	130.00	122.10	96.50	63.00
Expected volatility	32.3%	32.3%	36.0%	37.3%	37.3%	35.0%	32.3%
Expected average option life (in years)	6	6	6	6	6	6	6
Dividend yield	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Risk-free interest rate	2.6%	2.6%	2.7%	2.9%	2.9%	2.8%	2.3%
Market value of option at grant date (in CHF)	26.82	34.54	39.24	53.12	49.89	37.54	22.50

The risk-free interest rate is based on yields of the Swiss Confederation bonds on the date of grant with the maturity date approximately equal to the expected life at the grant date. The expected life of the options is six years compared to the options contractual life of ten years. The Company derives its expected volatility based on the average volatility of our main competitors' share price over the past year.

The following table shows, for 2007 and 2006, the number of options at the beginning of the year, the number of options granted, exercised and expired/forfeited during the year and the number of shares under option at the end of the year, together with the weighted average exercise prices.

	2007		2006	
	Number of options	Weighted average exercise price (in CHF)	Number of options	Weighted average exercise price (in CHF)
Balance at January 1,	322,500	63.00	-	-
Granted during the year	970,000	102.12	322,500	63.00
Forfeited during the year	(95,835)	63.00	-	-
Exercised during the year	(4,999)	63.00	-	-
Expired during the year	-	-	-	-
Balance at December 31,	**1,191,666**	**94.84**	**322,500**	**63.00**
Exercisable at December 31,	78,334	63.00	-	-

In 2007, 4,999 options granted under the Equity Participation Plan were exercised. The weighted average share price at the date of exercise was CHF 88.40. The share options outstanding at the end of the financial year have a weighted average exercise price of CHF 94.84 (2006: CHF 63.00) and a weighted average remaining contractual life of 9.3 years.

Total expense for the Equity Participation Plan for the year ended December 31, 2007 was USD 12.8 million (2006: USD 0.3 million), net of taxes.

25 Leases

Finance Lease Commitments – Company is Lessee

The Company has one major contract which contains a finance lease for a hydrogen unit (Air Product contract). Future minimum lease payments under finance leases together with the present value of the lease payments are as follows:

	2007		2006	
(in millions of USD)	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
Within one year	4.3	2.6	5.2	3.3
After one year but not more than five years	15.9	10.4	14.3	8.7
More than five years	25.1	20.7	26.5	21.3
Total	**45.3**	**33.7**	**46.0**	**33.3**
Less amounts for finance charge	(11.6)		(12.7)	
Present value of the minimum payments	**33.7**	**33.7**	**33.3**	**33.3**

Under the hydrogen supply contract a third party supplies the Company with hydrogen whereby the supplier legally owns and operates an asset on the site of the Company. Petroplus effectively purchases all of the hydrogen produced for a fee of approximately USD 4.9 million per year. This fee also includes payments for non-lease elements in the arrangement.

The contract has a duration of 15 years as from the end of 2004 and does not contain any option for the Company to purchase the asset.

Total rent expense for finance lease for the year ended December 31, 2007 was USD 5.5 million (2006: USD 4.9 million).

Operating Lease Commitments – Company is Lessee

The Company has entered into rental agreements, hire purchases and commercial leases on machinery, motor vehicles and office equipment. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases at December 31, are as follows:

(in millions of USD)	2007	2006
Within one year	22.3	13.0
After one year but not more than five years	56.2	21.0
More than five years	55.2	44.3
Total operating lease commitments - Company is lessee	**133.7**	**78.3**

On June 1, 2007, Petroplus Refining and Marketing Ltd., a subsidiary of the company entered into agreements to charter three tugs. The charter period lasts six years with an optional extension period of six years. The daily hire rate for one tug amounts to USD 7,070. The hire rate is made up of the following components: Financial costs, operating costs, fuel and lubricating oils, whereas the financial cost element of the daily hire rate is fixed. The operating costs shall be escalated annually (on the first anniversary) based on the United Kingdom All Items Retail Price Index, whereas the element fuel and lubricating oils is based on actual consumption. At the end of the charter period we have the option to purchase the tugs at market price.

Total rent/hire and commercial expense for operating leases for the year ended December 31, 2007 was USD 29.5 million (2006: USD 13.1 million).

Operating Lease Commitments – Company is Lessor

The processing fee receivable under non-cancellable operating leases at December 31, is as follows:

(in millions of USD)	2007	2006
Within one year	26.7	18.4
After one year but not more than five years	112.2	3.1
More than five years	4.8	0.0
Total operating lease commitments - Company is lessor	**143.7**	**21.5**

Bitumen Supply Contract
Under the bitumen supply contract the Antwerp processing facility is supplied with crude oil feedstock and converts the crude into bitumen and distillates. This contract contains a lease whereby the Company is the lessor. The supplier of the feedstock purchases all of the bitumen production and pays a processing fee consisting of fixed elements (approx. USD 2.2 million per month) and variable elements. The fixed fee also includes payments for non-lease elements in the arrangement. The contract has a ten year duration as from March 2003.

On May 1, 2007, Petroplus Marketing AG, Petroplus Refining Cressier AG and Nynas AG ("Nynas") completed a mutual termination agreement relating to the supply of bitumen products to Nynas from the Cressier refinery. In exchange for Nynas agreement regarding termination of the relevant production and supply of bitumen products to Nynas earlier than the December 31, 2012 expiration date and Nynas agreement to procure alternative arrangements for bitumen products supply, Petroplus paid Nynas a fixed fee in the amount of USD 10.0 million on May 10, 2007. If Petroplus resumes production of bitumen products at Cressier prior to January 1, 2013 and Nynas agrees to purchase the bitumen products, Nynas shall reimburse Petroplus on a pro-rata basis the fixed fee of USD 10.0 million.

Throughput Deal
During 2006 and the first half year of 2007, under the throughput contract with Litasco, the Company was supplied with feedstock (gasoil) in order to produce mainly Ultra-low sulfur diesel ("ULSD"). This deal contained a lease whereby the Company was the lessor. At all times the risk and title to the gasoil and the ULSD produced remained with the supplier. The supplier paid a processing fee per metric ton consisting of a fixed element (approx. USD 30,000 per day) and variable elements. Depending on the yield the Company charges additional yield correction fees.

Termination of the contract was communicated by Litasco during the second quarter of 2007. The Company now sources its own gasoil for the continued operations of its units.

26 Other Commitments and Contingencies

Legal Contingencies
We have extensive operations and are both a defendant and a plaintiff in a number of arbitration and legal proceedings in connection with our operations. While we are currently involved in several legal proceedings, we believe that, other than as discussed below, the results of these proceedings will not have a material adverse effect on our business, results of operations or financial condition.

In 2004, BRC cancelled an IT contract with one consulting firm in favor of another firm. Subsequently, an employee of the prior consulting company also left and joined the new firm providing services to BRC. As a result, the previous company has filed a claim against BRC for KUSD 658 (KEUR 447) including interest for wrongful competition and abuse of confidential information. The case is still pending in court and is currently not being pursued by the claiming party.

In 1996, the Belgian tax authorities sent BRC a letter seizing the payments due to a contractor as a result of the contractor's non–payment of taxes. Prior to receiving the letter, BRC had transferred the payment to the contractors account. The Belgian Ministry of Finance has asserted a claim for USD 5.0 million (EUR 3.4 million) plus interest, which is the entire amount of taxes owed by the contractor or, in the alternative, KUSD 60 (KEUR 41), which is the amount BRC owed the contractor. The lower court found in favor of BRC. On appeal, the court of appeals also found in favor of BRC. The Belgian Ministry of Finance has appealed to the Court of Cassation.

In 1989, Petrotrade and Petrobel, both of which are subsidiaries of EPH, sold products to a customer without collecting excise taxes because the customer had provided documents that the products were to be exported and, therefore, no taxes were due. The customer neither exported the product nor paid the excise tax liability. The Belgium authorities have brought a claim against BRC for the taxes owed. The case has been suspended until the criminal case against the customer is resolved. If a court determines that BRC is liable for the taxes, the amount due including interest is expected to be approximately USD 2.8 million (EUR 1.9 million).

Contingent Liabilities
In the past, CARBURA (the Swiss organisation for the compulsory stockpiling of oil products) has contributed compensation for costs relating to water as well as fire protection manda-

tory by government. The contingent liabilities at December 31, 2007 amount to USD 2.7 million (2006: USD 3.2 million) and will expire in December 2011.

During 2007, the company released a provision for un-metered natural gas consumption associated with a faulty bypass valve. Appropriate actions were taken by the Company to notify the supplier, however losses are not being actively pursued by the supplier at this time. As a result, the Company does not believe that this incident will have a material adverse effect on our financial condition, results of operations and future cash flows.

Commitments

In connection with the acquisition of the Coryton refinery, we entered into an off-take agreement with BP Oil UK Ltd. ("BP") that accounts in 2008 for approximately 90% of the refinery's gasoline production, 90-100% of its jet fuel production, 90-100% of its ULSD production and 70% of its gasoil production. This agreement will run for approximately five years, with the percentage of products purchased by BP decreasing yearly.

In connection with the acquisition of Ingolstadt, we entered into a five year off-take agreement with ESSO Deutschland GmbH ("Esso") to supply its retail chain in Bavaria with substantial amounts of gasoline and diesel fuel and to supply Esso with substantial amounts of jet fuel. This agreement accounts for approximately 42% of the Ingolstadt refinery's gasoline production, 29% of its diesel fuel production and 27% of its jet fuel production. The off-take agreement terminates on December 31, 2011. However, Esso may terminate the agreement earlier, with 180 days notice, as to all the products covered by the agreement except jet fuel, if Esso is no longer selling such products through its retail chain. Other products are included in the off-take agreement.

Of the Anwerp processing facility's annual production, all bitumen production is sold under a long term supply agreement ending in 2013.

On May 1, 2007, under the terms of the exclusive distribution agreement, Petroplus Mineralölprodukte Deutschland GmbH entered into an agreement with Nynas for the exclusive right of distribution of bitumen produced at the newly acquired Ingolstadt refinery in Germany. The agreed upon term of this contract is ten years, with yearly pricing negotiations, beginning January 1, 2008.

Other Commitments

The sale commitments as at December 31, 2007 amount to USD 69.5 million (2006: USD 18.2 million), the purchase commitments as at December 31, 2007 amount to USD 11.4 million (2006: USD 3.5 million). The commitments represent mainly contractual obligations for future crude oil sales. These obligations were calculated using information current as of December 31, 2007 and as such the actual commitment amount may vary. Variables such as crude oil price and volume requirements can cause the minimum obligation to change.

27 Number of Employees

The following table sets out information on the number of full-time equivalent employees we employed in the periods indicated:

Number of employees	December 31, 2007	December 31, 2006
Switzerland	405	339
Belgium	345	346
United Kingdom	753	178
Germany	321	1
Other	3	61
Total	**1,827**	**925**

28 Financial Risk Management Objectives and Policies

Risk Assessment

The Company's principal financial liabilities, other than derivatives, are comprised of interest bearing loans and borrowings, finance leases, and trade and other payables. The main purpose of these financial liabilities is financing for the Company's operations and acquisitions. The Company has various financial assets, other than derivatives, such as cash and short-term deposits and trade and other receivables which arise directly from our operations.

The main risks which influence the Company's financial instruments and ultimately the financial results are oil price fluctuation, foreign currency risk, liquidity risk, interest rate risk and credit risk. The company seeks to minimize the effects of some of these risks by using derivative financial instruments. The use of financial derivatives is governed by the Company's policies. The policies provide written principles on commodity price management, capital risk management, foreign exchange risk, and credit risk. We do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Capital Management

The primary objective of the Company's capital management is to ensure that the company maintains a strong credit rating and healthy capital ratios to support the daily business activities, reduce financing costs and maximize shareholder value. Management is committed to maintaining a healthy balance sheet, while executing the Company's growth strategy. Through the acquisition process we carefully evaluate the price paid and financing options available for every asset acquired. The assets acquired by the company are long term assets for which it is logical to maintain a portion of long term debt.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 17, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 22.

Management reviews the capital structure on a quarterly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. While the Company's leverage may temporarily change with acquisitions, the target is to maintain a gearing ratio below 40% determined as the proportion of net debt to net capital. The gearing ratio at year end was as follows:

(in millions of USD)	2007	2006
Interest bearing loans and borrowings	1,333.1	-
Cash and short term deposits	(62.5)	(91.6)
Net Debt / (Cash)	**1,270.6**	**(91.6)**
Equity	**2,501.5**	**1,555.1**
Ratio		
Net Debt to Net Capital	33.7%	-

Oil and Oil Product Price Risk

Due to the nature of our business, the Company has significant exposure to the fluctuation of crude and oil products prices as part of its normal operations. There are many factors of our business which are impacted by prevailing market conditions. Specifically, a change in the crude and product pricing environment, rise or decline, will influence our inventory levels, purchasing decisions and commodity price management activities and will, ultimately, all have an impact on our realized gross margin. Our commercial and operational decisions are a direct response to the market and as such will change as market conditions change.

Historically, we were required to manage this price risk through hedging activities, primarily with refining margin and minimum operating stock hedges. We were required to maintain certain levels of hedges in order to comply with our historical senior term debt and working capital facilities. Following the IPO in November 2006, we repaid and cancelled our senior term debt and renegotiated our working capital facilities to eliminate these hedging requirements. Following the repayment of our senior term debt and renegotiation of our working capital facilities, we significantly reduced the proportion of refining capacity and minimum operating stock hedges going forward. All of the minimum operating stock hedging activities were discontinued as of December 31, 2006. As of the 2007 year-end all open refining margin contracts have priced and settled. We have no plans to continue either hedging program. Currently, we primarily use a commodity price management program to manage the fluctuation in commodity pricing. Under this program we enter into commodity futures contracts and counterparty swaps to lock in the price of certain commodities, primarily on a portion of crude purchased. The fair values and volumes of open futures and swap contracts related to both 2006 and 2007 are disclosed in Note 29 Financial Instruments.

The Company is exposed to a rise or decline in crude and oil product pricing primarily through the refining margin crack, which is defined as, the net result of the purchase of crude and the corresponding sale of the refined product. If the refining margin crack, based on fluctuations in crude and product pricing, were to rise or decline by USD 1 per barrel, the effect on the Company's profit before income taxes would be a gain or loss of USD 141 million and USD 73 million in 2007 and 2006, respectively. This analysis does not take into consideration any changes in commercial or operating decisions which would be made given the change in the environment, changes in the inventory held, or other factors which could be present in a volatile crude and product pricing environment.

Foreign currency risk

The Company is mainly exposed to the currencies EUR, CHF and GBP and to foreign currency exchange risks in the following areas:

– transaction risks associated with existing and expected sale and purchase transactions and the debts and receivables related to these transactions;
– translation risks of foreign net investments; and
– translation of debt denominated in currencies other than the relevant companies' functional currency.

In order to keep the currency risk at an acceptable level, the Company uses financial instruments (swaps and forward foreign currency derivatives contracts) to manage the foreign currency risk. The fair values of these open contracts as well as the contract volume at December 31, 2007 and 2006 are shown in Note 29 Financial Instruments.

The following table details the Company's sensitivity to a 1% increase and decrease in the USD against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis below includes the effect on changes in foreign currency rates on income and expenses that are subject to foreign currency risks in profit before income taxes. The sensitivity analysis also includes the effect of the revaluation of net investments in foreign subsidiaries where the revaluation gain or loss is directly recognized in equity. Foreign currency risks related to foreign net investments are not hedged.

(in millions of USD)	Effect on profit before income taxes	Effect on equity
2007		
1% increase in EUR/USD rate	(2.5)	4.0
1% increase in CHF/USD rate	(1.3)	21.8
1% increase in GBP/USD rate	(4.6)	-
1% decrease in EUR/USD rate	2.5	(22.2)
1% decrease in CHF/USD rate	1.3	(4.0)
1% decrease in GBP/USD rate	4.6	-
2006		
1% increase in EUR/USD rate	(1.7)	-
1% increase in CHF/USD rate	(0.7)	-
1% increase in GBP/USD rate	(0.9)	-
1% decrease in EUR/USD rate	1.7	-
1% decrease in CHF/USD rate	0.7	-
1% decrease in GBP/USD rate	0.9	-

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the Company's short, medium and long-term funding and liquidity management requirements. The Company's corporate treasury department manages the liquidity risk by maintaining adequate reserves, maintaining available revolving credit facilities, continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. Included in Note 17 Interest bearing loans and borrowings is a listing of our existing facilities and undrawn limits the Company has at its disposal to further reduce liquidity risk.

The table below summarizes the maturity profile of the Company's financial liabilities at December 31, 2007 and 2006 based on contractual, undiscounted payments:

(in millions of USD)	Total	On demand	Less than 3 months	3 to 12 months	1 to 5 years	over 5 years
December 31, 2007						
Interest bearing loans and borrowings	2,007.7	158.7	21.0	62.0	330.0	1,436.0
Finance lease commitments	45.3	-	1.1	3.2	15.9	25.1
Trade payables	1,590.8	61.0	1,450.2	78.3	1.1	0.2
Other payables	1,249.9	121.3	1,096.8	31.2	0.6	-
Total	**4,893.7**	**341.0**	**2,569.1**	**174.7**	**347.6**	**1,461.3**

(in millions of USD)	Total	On demand	Less than 3 months	3 to 12 months	1 to 5 years	over 5 years
December 31, 2006						
Interest bearing loans and borrowings	-	-	-	-	-	-
Finance lease commitments	46.0	-	1.3	3.9	14.3	26.5
Trade payables	567.9	40.5	520.9	5.4	0.9	0.2
Other payables	316.0	69.8	224.4	15.7	2.8	3.3
Total	**929.9**	**110.3**	**746.6**	**25.0**	**18.0**	**30.0**

Interest rate risk

The Company can be exposed to interest rate risk mainly through interest-bearing net debt. The Company's interest rate risk management aims to reduce the volatility of interest costs in the Income Statement. Long-term debt raised to finance our acquisitions are therefore kept at fixed interest rates while only cash, short-term deposits, and short-term borrowings raised through our revolving credit facilities are exposed to changes in market conditions. At December 31, 2007, approximately 7% or USD 87.2 million of our Net Debt was exposed to interest rate risk. As of December 31, 2006 only cash and short-term deposits of USD 91.6 million were exposed to interest rate risks.

The following table demonstrates the sensitivity to a reasonable change in interest rates, with all other variables held constant, of the Company's profit before tax. There is no impact on the Company's equity.

(in millions of USD)	Effect on profit before income taxes
2007	
Increase of 1% in LIBOR	(2.5)
Decrease of 1% in LIBOR	2.5
2006	
Increase of 1% in LIBOR	(4.5)
Decrease of 1% in LIBOR	4.5

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. To minimize credit risk, the company has a credit committee and a credit policy. In accordance with this policy, all customers are subject to credit verification procedures and extensions of credit above defined thresholds are to be approved by the credit committee. The Company's intention is to trade only with recognized creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis. Petroplus also limits the risk of bad debts by obtaining bank securities such as guarantees or letters of credit.

The maximum exposure to credit risk is represented by the carrying amount of the receivables that are presented in the balance sheet, including derivatives with positive market values. There is no significant concentration of credit risk within the company. Risk is also minimized as the Company's trade debtor portfolio consists primarily of large, financially strong players in world markets such as the major oil companies.

29 Financial Instruments

Financial instruments in the balance sheet include cash and short-term deposits, trade receivables, short and long-term loans and payables. The nominal value of these instruments approximate fair value.

The Company's financial instruments included in the Consolidated Financial Statements are listed below:

(in millions of USD)		December 31, 2007					
	Category in accordance with IAS 39	Carrying amount	Amortized cost	Cost	Fair value recognized in profit or loss	Amounts recognized in balance sheet according to IAS 17	Fair value
Financial assets							
Cash and short-term deposits	C	62.5	-	-	62.5	-	62.5
Trade receivables, net	LaR	1,503.1	1,503.1	-	-	-	1,503.1
Other receivables	LaR	79.5	79.5	-	-	-	79.5
Financial assets available for sale	AfS	2.8	-	2.8	-	-	2.8
Other financial assets	LaR	0.8	0.8	-	-	-	0.8
Derivative financial instruments	FAHfT	161.9	-	-	161.9	-	161.9
Commodity instruments		*156.0*	-	-	*156.0*	-	*156.0*
Foreign exchange hedges		*5.9*	-	-	*5.9*	-	*5.9*
Financial liabilities							
Interest-bearing loans & borrowings	FLAC	1,333.1	1,333.1	-	-	-	1,358.7
Finance lease commitments	n.a.	33.7	-	-	-	33.7	33.7
Trade payables	FLAC	1,590.8	1,590.8	-	-	-	1,590.8
Other payables	FLAC	311.4	311.4	-	-	-	311.4
Derivative financial instruments	FLHfT	165.7	-	-	165.7	-	165.7
Commodity instruments		*158.8*	-	-	*158.8*	-	*158.8*
Foreign exchange hedges		*6.9*	-	-	*6.9*	-	*6.9*
Of which: aggregated by category in accordance with IAS 39							
Cash (C)		62.5	-	-	62.5	-	62.5
Loans and receivables (LaR)		1,583.4	1,583.4	-	-	-	1,583.4
Available-for-sale financial assets (AfS)		2.8	-	2.8	-	-	2.8
Financial assets held for trading (FAHfT)		161.9	-	-	161.9	-	161.9
Financial liabilities measured at amortized costs (FLAC)		3,235.3	3,235.3	-	-	-	3,260.9
Financial liabilities held for trading (FLHfT)		165.7	-	-	165.7	-	165.7

December 31, 2006					
Carrying amount	Amortized cost	Cost	Fair value recognized in profit or loss	Amounts recognized in balance sheet according to IAS 17	Fair value
91.6	91.6	-	-	-	91.6
546.9	546.9	-	-	-	546.9
102.1	102.1	-	-	-	102.1
2.2	-	2.2	-	-	2.2
19.1	19.1	-	-	-	19.1
239.0	-	-	239.0	-	239.0
217.9	-	-	*217.9*	-	*217.9*
21.1	-	-	*21.1*	-	*21.1*
-	-	-	-	-	-
33.3	-	-	-	33.3	33.3
567.9	567.9	-	-	-	567.9
91.7	91.7	-	-	-	91.7
260.1	-	-	260.1	-	260.1
250.2	-	-	*250.2*	-	*250.2*
9.9	-	-	*9.9*	-	*9.9*
91.6	91.6	-	-	-	91.6
668.1	668.1	-	-	-	668.1
2.2	-	2.2	-	-	2.2
239.0	-	-	239.0	-	239.0
659.6	659.6	-	-	-	659.6
260.1	-	-	260.1	-	260.1

Commodities

As discussed in Note 28 "Financial Risk Management Objectives and Policies" the Company enters into commodity instruments to manage price movements associated with adverse oil movements. The fair values and the volume of open swaps at December 31, 2007 and 2006 are as follows:

Swaps		December 31, 2007			December 31, 2006		
		Maturing			Maturing		
		in less than 1 year	between 1 to 2 years	Total	in less than 1 year	between 1 to 2 years	Total
Fair values							
Swap assets	in millions of USD	151.6	-	**151.6**	136.4	77.5	**213.9**
Swap liabilities	in millions of USD	158.8	-	**158.8**	168.8	81.4	**250.2**
Volumes							
Products	in thousands of MT	(28.6)	-	**(28.6)**	(126.5)	-	**(126.5)**
Crude	in thousands of bbl	-	-	**-**	(1,027.0)	-	**(1,027.0)**
Refining margin	in thousands of bbl	-	-	**-**	(12,900.0)	(12,000.0)	**(24,900.0)**
Freight	in thousands of MT	-	-	**-**	1,080.0	-	**1,080.0**

The fair value and volume of open futures contracts at December 31, 2007 and 2006 are listed below. All contracts mature in less than one year:

Futures		December 31, 2007	December 31, 2006
		Total	Total
Fair values			
Future assets	in millions of USD	**4.4**	**4.0**
Future liabilities	in millions of USD	**-**	**-**
Volumes			
Crude	in thousands of bbl	**(1,734.0)**	**(2,628.0)**
Gasoil	in thousands of MT	**(90.7)**	**(128.9)**

Foreign Currency

To keep the currency risk (discussed in Note 28) to an acceptable level, the Company uses financial instruments (swaps and forward exchange contracts) to manage the foreign currency risk. The fair values and open foreign currency exchange contracts at December 31, 2007 and 2006 are as follows:

Swaps

		December 31, 2007	December 31, 2006
		Total	Total
Fair Value			
Swap assets	in millions of USD	**3.3**	**-**
Swap liabilities	in millions of USD	**1.8**	**9.9**

All amounts above mature in less than three months.

Contract Amounts of Swaps

(in millions of USD)	December 31, 2007 Total	December 31, 2006 Total
Buy/Sell		
CHF/USD	-	151.9
CHF/GBP	-	48.4
EUR/USD	-	193.3
EUR/GBP	-	13.4
GBP/USD	22.9	-
GBP/EUR	142.9	-
CZK/EUR	-	1.5
Total Buy	**165.8**	**408.5**
Sell/Buy		
USD/CHF	(3.0)	(69.8)
USD/EUR	-	(11.9)
CHF/USD	(53.4)	-
CHF/GBP	(155.7)	-
EUR/USD	(504.4)	-
EUR/CHF	-	(632.2)
EUR/GBP	(4.2)	-
GBP/USD	(180.4)	(20.2)
GBP/CHF	-	(26.7)
GBP/EUR	-	(13.7)
Total Sell	**(901.1)**	**(774.5)**
Total Contract Amounts of Swaps, net	**(735.3)**	**(366.0)**

All amounts above mature in less than three months.

Forwards

		December 31, 2007			December 31, 2006		
		Maturing			Maturing		
		in less than 3 months	between 3 and 12 months	Total	in less than 3 months	between 3 and 12 months	Total
Fair Value							
Forward assets	(in millions of USD)	2.6	-	**2.6**	7.9	13.2	**21.1**
Forward liabilities	(in millions of USD)	5.1	-	**5.1**	-	-	**-**

Contract Amounts of Forwards

	December 31, 2007				December 31, 2006			
	Maturing				Maturing			
(in millions of USD)	in less than 3 months	between 3 and 12 months	between 1 and 5 years	Total	in less than 3 months	between 3 and 12 months	between 1 and 5 years	Total
Buy/Sell								
USD/CHF	26.0	-	-	**26.0**	29.0	-	-	**29.0**
USD/EUR	296.1	13.0	-	**309.1**	4.8	-	-	**4.8**
USD/CZK	-	-	-	**-**	17.0	-	-	**17.0**
CHF/USD	-	-	-	**-**	19.1	12.8	-	**31.9**
EUR/USD	414.5	-	-	**414.5**	10.1	6.8	-	**16.9**
GBP/USD	180.4	-	-	**180.4**	11.5	7.7	-	**19.2**
Total Buy	**917.0**	**13.0**	**-**	**930.0**	**91.5**	**27.3**	**-**	**118.8**
Sell/Buy								
USD/CHF	(3.0)	-	-	**(3.0)**	(12.0)	-	-	**(12.0)**
USD/EUR	-	-	-	**-**	(37.5)	(112.5)	(62.5)	**(212.5)**
USD/CZK	-	-	-	**-**	(6.1)	-	-	**(6.1)**
EUR/USD	(22.1)	-	-	**(22.1)**	(1.3)	-	-	**(1.3)**
EUR/CHF	(4.4)	-	-	**(4.4)**	(10.5)	-	-	**(10.5)**
GBP/USD	(316.7)	-	-	**(316.7)**	(74.8)	-	-	**(74.8)**
Total Sell	**(346.2)**	**-**	**-**	**(346.2)**	**(142.2)**	**(112.5)**	**(62.5)**	**(317.2)**
Total contract amounts of forwards, net				**583.8**				**(198.4)**

30 Related Parties

The Company has related party relationships with its subsidiaries, its associated companies, other investments, and its key management personnel.

All related party transactions between the Company and its subsidiaries are eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

Commercial Transactions

During the year, Petroplus entered into the following commercial transactions with related parties that are not subsidiaries of the Company:

	Sales of goods		Purchases of goods		Other transactions		Amounts owed by related parties		Amounts owed to related parties	
							December 31,		December 31,	
(in millions of USD)	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Associates										
Dragon LNG Group Ltd	-	-	-	-	-	-	-	58.4	-	-
Sempachtank AG	-	-	-	-	(0.1)	0.1	-	-	-	-
RBE-Rheinische Bio Ester GmbH & Co. KG	-	-	-	-	-	-	-	0.5	-	-
SAPPRO SA	-	-	(0.1)	(0.6)	-	-	-	-	-	-
Pflichtlagergesellschaft für Mineralöle	2.4	2.3	-	-	-	-	0.2	0.2	-	-
Sociéte Génevoise des Pétroles SA	-	-	-	(0.1)	0.1	0.5	1.6	2.1	-	0.1
	2.4	**2.3**	**(0.1)**	**(0.7)**	**-**	**0.6**	**1.8**	**61.2**	**-**	**0.1**

Sales to and purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured and interest free and settlement typically occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Additionally, no provisions have been made for doubtful debts relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with RIVR Holding B.V. and its Subsidiaries
As of August 21, 2006, Petroplus International B.V. had a note receivable in the amount of USD 224.5 millions including principal and interest thereunder to RIVR Holding B.V. The loan was repaid on December 8, 2006. The interest paid on this loan was USD 3.7 million. The sale of non-core companies to subsidiaries of RIVR Holding B.V. (RIVR Divestment B.V. and 4Gas group) is disclosed in Note 7.

Guarantees
Petroplus Holdings AG guarantees for certain obligations of subsidiaries to third parties. For further information see Note 7 Contingent Liabilities / Guarantees and Pledges in the Statutory Financial Statements of Petroplus Holdings AG.

Compensation of Key Management Personnel

From January through May 2006, the board and executive management of RIVR Acquisition B.V. was considered the Company's key management personnel. The executive management of RIVR counted four members and the board seven members. The management of RIVR resigned when the new management was appointed in May 2006. At the end of 2006, the new key management personnel of the Company was comprised of fourteen members, including nine non-executive members of the Board of Directors, Mr. Thomas O'Malley as the Chairman of the Board of Directors and Chief Executive Officer as well as four executive members of Senior Management.

In February 2007, the three non-executive members of the old shareholder RIVR Holding B.V. resigned and three new members were elected at the first Annual General Meeting held on May 9, 2007. Mr. Robert Lavinia, one of the members of the board elected at the first Annual General Meeting, was appointed President of the Company in July 2007.

At the end of 2007, the key management personnel include fourteen members, including eight non-executive members of the Board of Directors, four executive members of the senior management as well as Mr. O'Malley as the CEO and Chairman and Mr. Lavinia as the President of the Company and executive member of the Board of Directors.

The compensation for key management personnel as described above was as follows:

(in millions of USD)	2007	2006
Short-term employee benefits	10.4	8.2
Post-employment benefits	0.2	0.2
Other long-term benefits	-	-
Termination benefits	-	3.2
Share-based payments	7.7	-
Total compensation of key management personnel	**18.3**	**11.6**

The compensation of key management personnel is determined by the Compensation Committee having regard to the performance of the individual and market trends.

31 Acquisitions

Acquisition of the Coryton Refinery in 2007

On May 31, 2007, we completed the purchase of the Coryton Refinery located on the Thames Estuary in the United Kingdom. The purchase price, including fees, inventory and other adjustments totaled USD 1.6 billion and was financed with proceeds from our issuance of corporate bonds, cash on hand and drawings under our working capital facilities. The Coryton refinery and the related assets and liabilities are included in the Consolidated Balance Sheet as of December 31, 2007, based on a preliminary purchase price allocation performed upon the closing of the transaction. The Consolidated Income and Cash Flow Statements include seven months of operations for the year ended December 31, 2007. See below for the purchase consideration and the preliminary purchase price allocation:

The presentation of pro-forma financial information would require significant estimates and assumptions on behalf of the Company and therefore cannot be presented. Additionally, the Company does not generate financial information down to the net income level for its refineries.

Purchase consideration

(in millions of USD)	
Purchase price	1,400.0
Purchase price adjustment	198.4
Fees	2.0
Total purchase consideration	**1,600.4**

Purchase price allocation

(in millions of USD)	Carrying amount	Fair value
Assets acquired		
Cash and short-term deposits	-	-
Inventories	535.6	535.6
Property, plant and equipment	516.1	1,380.4
Derivative financial instruments	0.6	0.6
Intangible assets	-	5.0
Other assets	44.4	44.4
Total assets	*1,096.7*	*1,966.0*
Liabilities acquired		
Employee benefit	-	4.2
Trade payables	288.2	304.0
Other liabilities	57.4	57.4
Total liabilities	*345.6*	*365.6*
Net assets acquired	**751.1**	**1,600.4**

Total purchase consideration	1,600.4
Cash acquired	-
Net cash outflow from transaction	**1,600.4**

Acquisition of the Ingolstadt Refinery in 2007

On March 31, 2007, we completed the purchase of the Ingolstadt refinery (Petroplus Raffinerie Ingolstadt GmbH) located in Ingolstadt, Germany, together with selected wholesale operations. The purchase price, including fees, inventory and other adjustments totaling approximately USD 694.8 million, was financed with cash on hand and drawings under our working capital facilities. The Ingolstadt refinery and the related assets and liabilities are included in the Consolidated Balance Sheet as of December 31, 2007, based on a preliminary purchase price allocation performed upon the closing of the transaction. The Consolidated Income and Cash Flow Statements include nine months of operations for the year ended December 31, 2007.

See below for the purchase consideration and the preliminary purchase price allocation:

Purchase consideration

(in millions of USD)	
Purchase price	692.2
Fees	2.6
Total purchase consideration	**694.8**

Purchase price allocation

(in millions of USD)	Carrying amount	Fair value
Assets acquired		
Cash and short-term deposits	6.0	6.0
Inventories	286.0	286.1
Trade receivables	167.8	167.8
Property, plant and equipment	291.0	640.3
Intangible assets	1.0	1.0
Other assets	2.2	2.2
Total assets	*754.0*	*1,103.4*
Liabilities acquired		
Bank overdrafts	3.0	3.0
Provisions	3.3	3.3
Retirement benefit obligation	40.2	40.2
Deferred tax liability	97.6	200.7
Trade payables	10.0	10.0
Other liabilities	151.4	151.4
Total liabilities	*305.5*	*408.6*
Net assets acquired	**448.5**	**694.8**

Total purchase consideration	694.8
Cash acquired	(6.0)
Net cash outflow from transaction	**688.8**

The presentation of pro-forma financial information would require significant estimates and assumptions on behalf of the Company and therefore cannot be presented. Additionally, the Company does not generate financial information down to the net income level for its refineries.

Acquisition of RIVR Acquisition B.V. in 2006

On August 21, 2006, Petroplus Holding AG (formerly Argus Atlantic Energy Limited, Bermuda), acquired the entire share capital of RIVR, by means of a share-for-share exchange. RIVR Holding B.V., the sole shareholder of RIVR, received 38,118,150 registered shares in the Company in direct proportion to its shareholding in RIVR. In accordance with IFRS 3 *Business Combinations,* this transaction has been treated as a reverse acquisition. In a reverse acquisition, the cost of the business combination shall be allocated by measuring the identifiable assets, liabilities and contingent liabilities of the legal parent.

The balance sheet of the legal parent, Petroplus Holdings AG, as per the date of transaction consisted primarily of USD 31.1 million of cash, investments in subsidiaries, other current assets, and share capital in the corresponding amount. The purchase price consideration has been allocated as follows:

Purchase consideration

(in millions of USD)	
Purchase price	31.1
Total purchase consideration	**31.1**

Purchase price allocation

(in millions of USD)	Carrying amount	Fair value
Assets acquired		
Cash	31.1	31.1
Net assets acquired	**31.1**	**31.1**
Total purchase consideration paid in cash [1]		-
Cash acquired		(31.1)
Net cash inflow from transaction		**(31.1)**

[1] The purchase price was paid through the issuance of shares of Petroplus Holdings AG.

In accordance with IFRS 3 *Business Combinations*, the Consolidated Financial Statements of Petroplus in this reverse acquisition are a continuation of those of RIVR immediately before the business combination. As Petroplus Holdings AG was a dormant company until the date of the reverse acquisition, revenue and income would not change if the reverse acquisition had occurred on January 1, 2006.

Acquisition of European Petroleum Holdings N.V. in 2006

On May 31, 2006 the Company acquired 100% of the voting shares of EPH. The purchase price was USD 506.8 million, plus acquisition fees of USD 4.4 million. In prior periods the Company's purchase price allocation was calculated on a provisional basis. This allocation was finalized in May 2007 and resulted in minor updates as outlined in the table below. The main adjustment resulted in an increase of intangible assets. The Belgian Refining Corporation N.V. sits on 105 hectares that are leased from the Antwerp Port Authority in 1966 under an 80 year contract. The difference in the Company's rental rate and the market rental rate for a similar piece of property results in an intangible asset amounting to USD 23.9 million and is depreciated over 41 years.

As the finalization of the purchase price allocation does not result in material changes in assets, liabilities or net income, prior period balances were not adjusted. If the Company had restated the Income Statement based on the updated asset balance, Net Income for the year ended December 31, 2007, would have been approximately USD 1.4 million lower and approximately USD 0.5 million higher for the full year ended December 31, 2006.

Since May 31, 2006, EPH contributed USD 46.0 million of net income to the Company for the year ended December 31, 2006.

If the Company had acquired EPH as of January 1, 2006, the total Company's revenues for the twelve months ended December 31, 2006 would have been approximately USD 1.3 billion higher. Additionally, the consolidated net income would have been approximately USD 490.5 million, or USD 47.0 million higher than the amounts shown in the Consolidated Income Statement.

Final Purchase consideration

(in millions of USD)	
Purchase price	506.8
Fees	4.4
Total purchase consideration	**511.2**

Purchase price allocation

(in millions of USD)	Carrying amount	Preliminary purchase price allocation	Changes as per acquisition date	Final purchase price allocation
Assets acquired				
Cash and short-term deposits	82.0	82.0	-	82.0
Inventories	294.3	294.3	-	294.3
Trade receivables	156.4	156.4	-	156.4
Property, plant and equipment	165.0	521.4	(3.4)	518.0
Intangible assets	-	-	23.9	23.9
Other assets	18.9	18.9	(13.4)	5.5
Total assets	*716.6*	*1,073.0*	*7.1*	*1,080.1*
Liabilities acquired				
Interest-bearing loans	209.9	209.9	-	209.9
Provisions and accruals	32.2	32.2	-	32.2
Deferred tax liability	0.4	107.3	7.1	114.4
Trade payables	200.5	200.5	-	200.5
Other liabilities	11.9	11.9	-	11.9
Total liabilities	*454.9*	*561.8*	*7.1*	*568.9*
Net assets acquired	**261.7**	**511.2**	**0.0**	**511.2**

Total purchase consideration	511.2
Cash acquired	(82.0)
Net cash outflow from transaction	**429.2**

32 Disposals of Subsidiaries

Details pertaining to disposals in 2007 and 2006 are presented below. Further information is also disclosed in Notes 7 and 8.

The cash flow details for the discontinued operations have not been presented, as such information is unavailable and would require significant assumptions on behalf of the Company.

Total (Loss) / Gain on Disposals

(in millions of USD)	2007	2006
Disposal Consideration	37.2	610.0
Book value of net assets sold		
Current assets	74.5	552.4
Non-current assets	4.2	232.3
Current liabilities	39.3	461.1
Non-current liabilities	0.9	83.1
Net assets disposed of	**38.5**	**240.5**
Less results of operations for the period	**-**	**20.2**
(Loss) / Gain on disposal	**(1.3)**	**349.3**
Loss recognized in 2007 from disposals in 2006	(5.8)	-
Total (loss) / gain on disposals	**(7.1)**	**349.3**

Details of (Loss) / Gain on Disposals

(in millions of USD)	2007	2006
4Gas B.V.	-	279.6
Frisol / Oxyde	-	15.9
Milford Haven Tankstorage	(1.0)	83.8
Tankstorage facilities	(1.1)	(26.7)
Others	(5.0)	(3.3)
Total net (loss) / gain on disposals	**(7.1)**	**349.3**

Net Cash Inflow on Disposals

(in millions of USD)	2007	2006
Total disposal consideration	37.2	610.0
Plus cash received from prior year disposals	13.2	10.4
Plus net income from operations, before depreciation	-	20.2
Less cash payments not yet received	-	(13.8)
Less cash and cash equivalent balances disposed of	-	(28.1)
Net cash inflow on disposal	**50.4**	**598.7**

33 Subsidiaries

Subsidiary		Share capital (in millions local currency)	2007	2006
Switzerland				
Oléduc du Jura Neuchâtelois S.A., Cornaux	CHF	1.000	80.0%	80.0%
Petroplus Marketing AG, Zug	CHF	15.000	100.0%	100.0%
Petroplus Refining Cressier SA, Cressier	CHF	5.000	100.0%	100.0%
Petroplus Switzerland, Zug	CHF	25.000	100.0%	100.0%
Petroplus Tankstorage AG, Zug	CHF	5.000	100.0%	100.0%
Petrotrade B.V. (branch office), Zug		-	100.0%	100.0%
Société Immobilière Les Planches Vallier SA, Cressier	CHF	0.050	100.0%	100.0%
Belgium				
Antol N.V., Lier [2)]	EUR	-	-	100.0%
Belgian Refining Corporation N.V., Antwerp	EUR	51.150	100.0%	100.0%
European Petroleum (EP) Plant N.V., Antwerp [1)]	EUR	-	-	100.0%
Jely BVBA, Lier [2)]	EUR	-	-	100.0%
Petrobel N.V., Kontich	EUR	0.372	100.0%	100.0%
Petroplus Refining Antwerp Bitumen N.V. , Antwerp	EUR	14.018	100.0%	100.0%
Petroplus Refining Antwerp N.V., Antwerp	EUR	21.890	100.0%	100.0%
Universal Holding N.V., Antwerp	EUR	8.205	100.0%	100.0%
Bermuda				
Argus International Ltd., Hamilton	USD	1,500.000	100.0%	100.0%
Petroplus Finance Ltd., Hamilton	USD	0.010	100.0%	-
Petroplus Finance 2 Ltd., Hamilton	USD	1,450.000	100.0%	-
Cyprus				
Rivermill Investments Ltd., Nicosia	EUR	0.002	99.9%	99.9%
Czech Republic				
Marimpex Prague (branch office), Prague		-	100.0%	100.0%
Petroplus Czech Republic s.r.o., Prague	CZK	31.000	100.0%	100.0%
France				
Marimpex France SA (in liquidation) [4)]	EUR	-	-	100.0%
SKI Patricipations SA, Villeneuve d,Ascq	EUR	0.045	100.0%	100.0%
Société Francaise du Pipeline du Jura, Paris	EUR	3.114	100.0%	100.0%

Subsidiary		Share capital (in millions local currency)	2007	2006
Germany				
Marimpex Mineralöl Handelsgesellschaft mbH, Hamburg	EUR	6.647	100.0%	100.0%
Petroplus Mineralölprodukte Deutschland GmbH, Plochingen	EUR	2.338	100.0%	100.0%
Petroplus Raffinerie Ingolstadt GmbH, Ingolstadt	EUR	10.000	100.0%	-
Petroplus Bayern GmbH, Ingolstadt	EUR	0.170	100.0%	-
The Netherlands				
European Petroleum Corporation (EPC) B.V., Rotterdam	EUR	27.221	100.0%	100.0%
European Petroleum Trading (EPT) B.V., Rotterdam	EUR	0.018	100.0%	100.0%
Petroplus Antwerpen II B.V., Rotterdam	EUR	0.018	100.0%	100.0%
Petroplus Financial Services B.V., Rotterdam	EUR	0.454	100.0%	100.0%
Petroplus Holdings B.V., Rotterdam	EUR	0.113	100.0%	100.0%
Petroplus International B.V., Rotterdam	EUR	1.235	100.0%	100.0%
Petrotrade B.V., Rotterdam	EUR	0.100	100.0%	100.0%
RIVR Acquisition B.V., Rotterdam [3]	EUR	-	-	100.0%
The Netherlands Antilles				
European Petroleum Holdings N.V., Curaçao	USD	48.961	100.0%	100.0%
Petrotrade N.V., Curaçao [4]	USD	-	-	100.0%
United Kingdom				
Petroplus Marketing Ltd., Teesside, Stockton On Tees	GBP	0.010	100.0%	100.0%
Petroplus Refining and Marketing Ltd., London	GBP	18.390	100.0%	100.0%
Petroplus Refining Teesside Ltd., Stockton On Tees	GBP	0.010	100.0%	100.0%

[1] Sold in 2007
[2] Sold in 2007 (classified as a non-core entity) - see Note 7 for further information
[3] Merged with Petroplus International B.V. in 2007
[4] Liquidated in 2007

Investments in associates		Share capital (in millions local currency)	2007	2006
Switzerland				
Pflichtlagergesellschaft für Mineralöle, Zug	CHF	1.000	35.0%	35.0%
SOGEP Société Genevoise des Pétroles, Vernier	CHF	0.100	32.0%	32.0%
Sempachtank AG, Neuenkirch	CHF	0.113	22.0%	22.0%

Investments available-for-sale		Share capital (in millions local currency)	2007	2006
Germany				
RBE-Rheinische Bio Ester GmbH & Co. KG, Neuss	EUR	8.000	15.0%	15.0%
Switzerland				
SAPPRO SA (Société du Pipeline à produits pétroliers sur territoire genevois), Vernier	CHF	0.950	15.6%	15.6%

34 Subsequent Events

Planned Acquisition of the Petit Couronne and Reichstett Refineries, France

In January 2008, the European Commission approved the intended acquisition of the Petit Couronne and Reichstett Refineries, located in France. Completion of the acquisition is subject to the satisfaction of customary conditions, including certain governmental approvals, and the execution of a sale and purchase agreement. The acquisition is expected to close early in the second quarter of 2008.

Formation of Growth Vehicle for U.S. Refinery Acquisitions

On February 27, 2008, Petroplus announced that, effective 1 March 2008, it has entered into a partnership ("PBF") with the Blackstone Group and First Reserve, to pursue acquisitions of crude oil refineries in the United States. Each partner has committed USD 667.0 million in equity to this venture. Thomas O'Malley, Chairman of Petroplus, will act as the Chief Executive Officer of the Partnership.

Factoring Agreement

On February 5, 2008, certain of our subsidiaries entered into a committed USD 500 million factoring agreement resulting in the sale of certain of our oil major receivables (the "OMR"). The OMR is available, subject to certain oil major receivables being eligible for sale. The receivables are sold at a discount to their nominal value, with the discount rate being the aggregate of a margin of significantly less than the 1.0% margin of the RCF, and LIBOR (or, in relation to EUR receivables, EONIA).

35 Authorization of Consolidated Financial Statements

These Consolidated Financial Statements have been authorized for issue by the Board of Directors on March 3, 2008 and will be recommended for approval at the Annual Shareholders' Meeting on May 7, 2008.

Zug, March 3, 2008

Petroplus Holdings AG
For the Board of Directors:

Thomas D. O'Malley
Chairman of the Board of Directors

Report of the Group Auditors

ERNST & YOUNG

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To the General Meeting of
Petroplus Holdings AG, Zug

Zurich, March 3, 2008

Report of the group auditors

As group auditors, we have audited the consolidated financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity and notes / pages 77-142) of Petroplus Holdings AG for the year ended December 31, 2007.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards and with the International Standards on Auditing (ISA), which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

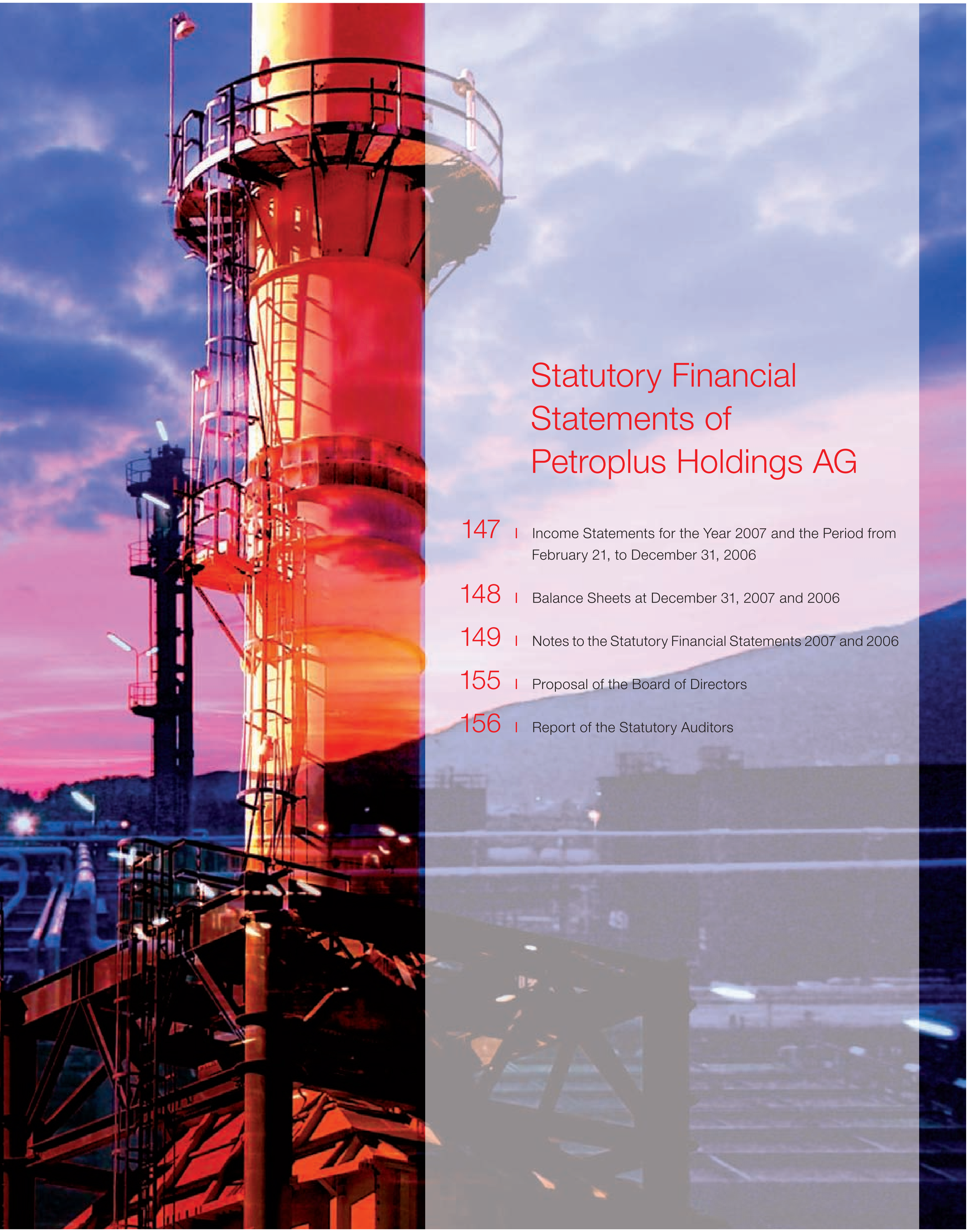
In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Eric Ohlund
Certified Public Accountant
(Auditor in charge)

Reto Hofer
Swiss Certified Accountant



Statutory Financial Statements of Petroplus Holdings AG

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Income Statements for the Year 2007 and the Period from February 21, to December 31, 2006

(in millions of CHF)	2007	2006
Financial income	26.1	14.8
Total income	**26.1**	**14.8**
Administrative expenses	(11.5)	(2.5)
Capital issue expenses	(28.3)	(53.3)
Other expenses	(0.2)	(0.2)
Financial expenses	(20.1)	(10.4)
Total expenses	**(60.1)**	**(66.4)**
Loss before taxes	**(34.0)**	**(51.6)**
Income taxes	-	-
Loss for the period	**(34.0)**	**(51.6)**

Balance Sheets at December 31, 2007 and 2006

(in millions of CHF)	Notes	2007	2006
Current assets			
Cash and short-term deposits		0.5	3.9
Other receivables from subsidiaries		212.8	1,317.9
Other receivables and prepayments		1.3	1.1
Total current assets		**214.6**	**1,322.9**
Non-current assets			
Investments	3	2,517.5	702.1
Total non-current assets		**2,517.5**	**702.1**
Total assets		**2,732.1**	**2,025.0**
Current liabilities			
Other payables to subsidiaries		8.2	12.4
Other payables to shareholders		-	2.4
Other payables and accrued expenses		4.1	4.8
Derivative financial instruments		-	12.1
Short-term provision		0.3	0.2
Total current liabilities		**12.6**	**31.9**
Total liabilities		**12.6**	**31.9**
Shareholders' equity			
Share capital	5	630.1	560.3
Share premium		2,175.0	1,484.4
Accumulated loss		(51.6)	-
Loss for the period		(34.0)	(51.6)
Total shareholders' equity		**2,719.5**	**1,993.1**
Total liabilities and shareholders' equity		**2,732.1**	**2,025.0**

Notes to the Statutory Financial Statements 2007 and 2006

1 General

Petroplus Holdings AG (the "Company" or "Petroplus"), Zug, Switzerland is a publicly traded company listed in the main segment of the Swiss Stock Exchange ("SWX"). The address of its registered office is Petroplus Holdings AG, Industriestrasse 24, 6300 Zug, Switzerland.

Petroplus was initially incorporated on February 20, 2006 under the name of Argus Atlantic Energy Limited in Bermuda. On August 22, 2006, the shareholders of Argus Atlantic Energy Limited resolved to transfer its registered office to Zug, Switzerland and to change its name to Petroplus Holdings AG. On November 30, 2006, the Company was initially listed on the SWX.

2 Accounting Policies

These Statutory Financial Statements of Petroplus comply with the requirements of Swiss law.

Presentation

All amounts included in these Statutory Financial Statements are presented in millions of Swiss Francs ("CHF") except where otherwise indicated.

The comparative information presented in the Income Statements reflect the period from February 20, 2006 (the date of incorporation) to December 31, 2006.

Foreign Exchange Rate Differences

Assets and liabilities denominated in foreign currencies are translated into Swiss Francs ("CHF") using year-end rates. Transactions during the year which are denominated in foreign currencies are translated at exchange rates effective at the relevant transaction dates. Resulting exchange gains and losses are recognized in the Income Statement with the exception of net unrealized gains which are deferred.

Investments

These are valued at acquisition cost less adjustments for impairment of value.

Derivative Financial Instruments

Derivatives with a market price are recognized as an asset or a liability at the balance sheet date at their market value. Gains are recognized as financial income and losses as financial expenses.

3 Investments

As at December 31, 2007 and 2006, Petroplus Holdings AG holds direct interests in the following companies:

	2007	2006
Argus International Ltd., Bermuda	100%	100%
Petroplus Finance Ltd., Bermuda [1]	100%	-
Petroplus International B.V., The Netherlands [2]	100%	-
RIVR Acquisition B.V., The Netherlands [2]	-	100%

[1] The company was founded on March 16, 2007.
[2] RIVR Acquisition B.V. was merged into Petroplus International B.V. in 2007.

4 Major Shareholders

The following shareholders of Petroplus Holdings AG own more than 5% of the voting rights as at December 31, 2007 and 2006 according to the requirements of Art. 663c of the Swiss Code of Obligation ("CO"):

Significant Shareholders	2007	2006
RIVR Holding B.V., The Netherlands [1]	-	21.0%
FMR Corp., United States of America [2]	11.7%	6.2%

[1] RIVR Holding B.V., a registered company in The Netherlands, was the former majority shareholder of Petroplus. Prior to the IPO on November 30, 2006, RIVR Holding B.V. held 94.5% of the Company's shares. On February 14, 2007, the Company was notified of sale of the remaining 12,818,150 registered shares or stake of 21.0%.
[2] FMR Corp., a company located in Boston, USA, is the parent company of Fidelity Management & Research Company, an investment manager for US mutual funds, and Fidelity Management Trust Company, a US state chartered bank which acts as a trustee or investment manager for various pension and trust accounts. The shareholding was initially reported to the Company on December 12, 2006. The increase of shareholdings above 10% was reported to the Company on February 20, 2007.

To the best of the Company's knowledge, no other shareholder holds 5% or more of Petroplus Holdings AG shares at December 31, 2007 and 2006.

5 Share Capital of Petroplus Holdings AG

At December 31, 2007 and 2006, the Company had the following issued, authorized and conditional share capital:

		2007		2006	
	Nominal value per share in CHF	Share Capital in millions of CHF	Number of shares	Share Capital in millions of CHF	Number of shares
Issued share capital	9.18	630.1	68,641,599	560.3	61,036,600
Authorized share capital	9.18	228.3	24,868,300	160.4	17,468,300
Conditional share capital	9.18	135.6	14,770,301	205.4	22,375,300

6 Compensation, Shareholdings and Loans

Compensation for Acting Members of Governing Bodies

The following tables illustrate the compensation earned by the executive and non-executive Members of the Board of Directors and the Executive Management based on the requirments of Article 663 b^{bis} CO:

Board of Directors

(in thousands of CHF)	Salary	BoD fees	Bonuses [1]	Various payments [2]	Paid compensation	Fair value of options granted [3]	Total compensation
Thomas D. O'Malley (Chairman and Chief Executive Officer)	640.7	-	1,487.5	-	2,128.2	1,433.8	3,562.0
Patrick Monteiro de Barros (Vice-Chairman and Chairperson)	-	153.8	-	-	153.8	262.2	416.0
Markus Dennler (Non-executive Member and Chairperson)	-	243.5	-	-	243.5	262.2	505.7
Walter Grüebler (Non-executive Member)	-	131.3	-	-	131.3	262.2	393.5
Robert J. Lavinia (Executive Member and President of the Company)	300.0	16.0	1,371.0	624.8	2,311.8	15,527.0	17,838.8
Maria Livanos Cattaui (Non-executive Member)	-	133.8	-	-	133.8	262.2	396.0
Eija Malmivirta (Non-executive Member and Chairperson)	-	153.8	-	-	153.8	262.2	416.0
Werner G. Müller (Non-executive Member)	-	92.2	-	-	92.2	349.6	441.8
Patrick Power (Non-executive Member)	-	133.8	-	-	133.8	262.2	396.0
Ernst Weil (Non-executive Member)	-	92.2	-	-	92.2	349.6	441.8
Total	**940.7**	**1,150.4**	**2,858.5**	**624.8**	**5,574.4**	**19,233.2**	**24,807.6**

[1] Bonus for the financial year 2007. Accrued as of December 31, 2007 and paid in March 2008.
[2] Includes the employer pension contribution for all executive Members of the Board that have not reached the age of 65. It also includes sign-on bonuses and other allowances.
[3] The total of 485,000 options granted have a life of ten years and will vest in equal amounts on the first, second and third anniversary of the respective grant date. The options provide the holder with the right to purchase one share at the offer price between CHF 73.95 to CHF 130.00. The fair value of options granted has been calculated in accordance with IFRS 2 Share-based Payment, using the Black-Scholes Model (see Note 24 of our Consolidated Financial Statements for details on calculation of the fair value and assumptions made). In comparison to the treatment under IFRS 2, where the fair value of the options is recorded as an expense over the vesting period, CO requires the presentation of the total fair value of the options at the date of grant. The total fair value of these unvested options has been discounted based on the rates published by the Swiss Tax Authority. However, the future compensation out of these options granted will depend on the individual persons employment with the Company, on the future development of the Company's share price and the timing of exercise. At December 31, 2007, 425,000 options of the 485,000 options were "out-of-the-money".

Executive Management

(in thousands of CHF)	Salary	Bonuses [1]	Various payments [2]	Paid compensation	Fair value of options granted [3]	Total compensation
Michael D. Gayda (Executive Vice President and General Counsel)	516.7	1,199.6	82.7	1,799.0	1,194.8	2,993.8
Bruce A. Jones (Executive Vice President and Chief Operating Officer)	516.7	1,199.6	50.2	1,766.5	1,194.8	2,961.3
Chester J. Kuchta (Executive Vice President and Chief Commercial Officer)	516.7	1,199.6	42.6	1,758.9	1,194.8	2,953.7
Karyn F. Ovelmen (Executive Vice President and Chief Financial Officer)	516.7	1,199.6	93.0	1,809.3	1,194.8	3,004.1
Total	**2,066.8**	**4,798.4**	**268.5**	**7,133.7**	**4,779.2**	**11,912.9**

[1] Bonus for the financial year 2007. Accrued at December 31, 2007 and paid in March 2008.
[2] Includes the employer pension contribution for all Members of the Executive Management that have not reached the age of 65 and other fringe benefits.
[3] The total of 200,000 options granted have a life of ten years and will vest in equal amounts on the first, second and third anniversary of the respective grant date. The options provide the holder with the right to purchase one share at the offer price of CHF 73.95. The fair value of options granted has been calculated in accordance with IFRS 2 Share-based Payment, using the Black-Scholes Model (see Note 24 of our Consolidated Financial Statements for details on calculation of the fair value and assumptions made). In comparison to the treatment under IFRS 2, where the fair value of the options is recorded as an expense over the vesting period, CO requires the presentation of the total fair value of the options at the date of grant. The total fair value of these unvested options has been discounted based on the rates published by the Swiss Tax Authority. However, the future compensation out of these options granted will depend on the individual persons employment with the Company, on the future development of the Company's share price and the timing of exercise.

Compensation for Former Members of Governing Bodies

The following table sets forth the compensation earned by the former Members of the Board of Directors based on the requirments of Article 663 b^{bis} CO. The compensation earned is the total of 2007 meeting fees and the pro-rata annual fee for the period from January 1, 2007 to February 14, 2007, the day they resigned:

(in thousands of CHF)	BoD fees	Total compensation
Peter Backhouse	14.0	14.0
N. John Lancaster	14.0	14.0
Baran Tekkora	14.0	14.0
Total	**42.0**	**42.0**

No additional fees or compensation was paid to governing bodies of the Company.

Shares and Options Ownership

The following table shows the total of shares and options held by each Member of the Board of Directors and Members of the Executive Management. Each option entitles the holder to purchase one share. The options are subject to a vesting period to up to three years:

Board of Directors

(in shares)	Shares	Options	Total holdings
Thomas D. O'Malley (Chairman and Chief Executive Officer)	2,001,626	1,996,126	3,997,752
Patrick Monteiro de Barros (Vice-Chairman and Chairperson)	260,280	90,640	350,920
Markus Dennler (Non-executive Member and Chairperson)	15,773	10,000	25,773
Walter Grüebler (Non-executive Member)	14,873	10,000	24,873
Robert J. Lavinia (Executive Member and President of the Company)	8,000	360,000	368,000
Maria Livanos Cattaui (Non-executive Member)	3,500	10,000	13,500
Eija Malmivirta (Non-executive Member and Chairperson)	874	10,000	10,874
Werner G. Müller (Non-executive Member)	1,533	10,000	11,533
Patrick Power (Non-executive Member)	2,340	10,000	12,340
Ernst Weil (Non-executive Member)	10,000	10,000	20,000
Total	**2,318,799**	**2,516,766**	**4,835,565**

Executive Management

(in shares)	Shares	Options	Total holdings
Michael D. Gayda (Executive Vice President and General Counsel)	66,439	179,078	245,517
Bruce A. Jones (Executive Vice President and Chief Operating Officer)	49,197	140,354	189,551
Chester J. Kuchta (Executive Vice President and Chief Commercial Officer)	42,237	130,674	172,911
Karyn F. Ovelmen (Executive Vice President and Chief Financial Officer)	45,177	140,354	185,531
Total	**203,050**	**590,460**	**793,510**

7 Contingent Liabilities / Guarantees and Pledges

The Company is part of a value added tax ("VAT") group and therefore jointly liable to the Swiss Federal Tax Department for the VAT liability of the other members.

The Company guarantees for certain obligations of subsidiaries to third parties. The guarantees are denominated in CHF, USD and EUR. At December 31, 2007, Petroplus Holdings AG had guarantees outstanding for a maximum amount of approximately CHF 1.4 billion (2006: CHF nil). One guarantee, which is not included in the CHF 1.3 billion, was granted unlimited and expires in July 2008.

Certain of Petroplus Holdings AG's subsidiaries are party to a committed USD 1.2 billion (CHF 1.35 billion) multi-currency secured revolving credit facility agreement with an additional uncommitted credit facility of USD 1.4 billion (CHF 1.52 billion). Petroplus Holdings AG is a guarantor of this facility. As of December 31, 2007, approximately USD 156.3 million (approx. CHF 175.7 million) of bank borrowings and short-term loans and approx. USD 1.5 billion (approx. CHF 1.7 billion) of letter of credits and guarantees were drawn (2006: CHF nil).

The Company does, together with certain subsidiaries, jointly and severally guarantee Petroplus Finance Limited's obligations under the USD 1.2 billion notes issued on May 1, 2007 and listed on the Irish Stock Exchange. In addition, the shares held in Petroplus Finance Ltd., Bermuda, have been pledged to secure the Senior Notes.

8 Authorization of Statutory Financial Statement

These Statutory Financial Statements have been authorized for issue by the Board of Directors on March 3, 2008 and will be recommended for approval at the Annual Shareholders' Meeting on May 7, 2008.

Zug, March 3, 2008

Petroplus Holdings AG
For the Board of Directors:

Thomas D. O'Malley
Chairman of the Board of Directors

Proposal of the Board of Directors

Instead of a dividend, the Board of Directors will propose to the Shareholders at the Annual General Meeting a repayment of nominal value of CHF 1.00 per registered share. After the repayment, the nominal value will be CHF 8.18 per registered share.

Report of the Statutory Auditors

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To the General Meeting of
Petroplus Holdings AG, Zug

Zurich, March 3, 2008

Report of the statutory auditors

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement, notes and proposal of the board of directors / pages 147-155) of Petroplus Holdings AG for the year ended December 31, 2007.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records, financial statements and the proposal of the board of directors comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Eric Ohlund
Certified Public Accountant
(Auditor in charge)

Reto Hofer
Swiss Certified Accountant

Glossary

The following explanations are not intended as technical definitions, but to assist the general reader to understand certain terms as used in the annual report.

API gravity	The API gravity illustrates the density of crude oil classified by the American Petroleum Institute. The API gravity is defined as: $$\frac{141.5}{\text{Gravity of specific crude oil at } 15.6°C} - 131.5 = \text{API}$$ Thus, the higher the API gravity is, the lighter is the crude oil.
ARA	Antwerp-Rotterdam-Amsterdam
Atmospheric distillation	The first step in the refining process in which crude oil is heated and separated into various intermediate products, each having a different boiling point.
Barrel or bbl	Barrel of crude oil, 159 liters by volume.
Bio-diesel	Diesel fuel that contains components derived from renewable raw materials, such as vegetable oils and animal fat.
Bio-fuel	Gasoline or diesel fuel that contains components derived from plants, such as sugar cane, sugar beet, canola and soy.
Bitumen	A residual product of crude oil vacuum distillation, which is primarily used for asphalt coating of roads and roofing materials.
Bonny Light	Nigerian crude oil with API gravity of approximately 36° and sulfur content of 0.2%.
bpd	Barrels per day.
Brass River	West African crude oil with API gravity of approximately 43° and sulfur content of 0.08%.
Brent	A light North Sea crude oil with API gravity of approximately 38° and a sulfur content of 0.4%.
C.I.F.	Cost, insurance and freight. A delivery term that includes the costs as well as freight and insurance charges of the delivery of goods to a named destination as defined in the ICC Incoterms 2000.
CO_2	Carbon dioxide, a significant greenhouse gas.
Complexity	A key industry measure referring to an oil refinery's ability to process feedstocks, such as heavier and higher sulfur content crude oils, into value-added products. Generally, the higher the complexity and more flexible the feedstock slate, the better positioned the refinery is to take advantage of the more cost effective crude oils, resulting in incremental gross margin opportunities for the refinery.
Condensates	Natural gas liquids used as feedstocks in oil refining.
CPC Blend	Kazakhstan crude oil with API gravity of approximately 43° and sulfur content of 0.59%.
Cracking	The conversion of large hydrocarbon molecules into smaller ones. Cracking is carried out either at high temperatures (thermal cracking), or with the aid of a catalyst and high pressure (catalytic cracking and hydrocracking). The cracking process enables greater quantities of hydrocarbons suitable for gasoline, distillates and other light fractions to be recovered from crude oil.
Crack Spread	A proxy, or a benchmark, for refining margins and refer to the margin that would accrue from the simultaneous purchase of crude oil and the sale of refined petroleum products, in each case at the then prevailing price. For example, 3/2/1 crack spread is often referenced and represents the approximate gross margin resulting from processing one barrel of crude oil, assuming that three barrels of a benchmark crude oil are converted, or cracked, into two barrels of gasoline and one barrel of diesel.

Dated Brent	The price for prompt shipments of Brent/Forties/Oseberg crude as reported by price agencies (such as Platts). It is the price benchmark for the vast majority of crude oils sold in Europe, Africa and the Middle East, and one of the most important benchmarks for spot market prices.
Desulfurization or Hydrotreating	A process to remove sulfur from petroleum products.
Distillates	Any of wide range petroleum products produced generally by distillation, the primary refining step in which crude oil is separated into fractions or components. These commonly include diesel, heating oil, jet fuel and kerosene but exclude gasoline and naphtha.
ETBE	Ethyl tertiary butyl ether, a high-octane ethanol based gasoline component reducing the overall environmental impact of gasoline.
Feedstocks	Crude oil and other hydrocarbons used as basic materials in a refining or manufacturing process.
Fluid catalytic cracking or FCC	The refining process of breaking down the larger, heavier, and more complex hydrocarbon molecules into simpler and lighter molecules. Fluid catalytic cracking is accomplished by the use of a catalytic agent, which is continuously regenerated and is an effective process for increasing the yield of gasoline from crude oil. Catalytic cracking processes fresh feedstocks as well as recycled feedstocks.
F.O.B.	Free on board. A delivery term that means the seller delivers the goods when they pass the ships rail at the named port of shipment (loading-port). The buyer therefore bears all transport cost and risk. As defined in the ICC Incoterms 2000.
Gasoil	A liquid petroleum product with a boiling range temperature of 200°–370°C and an ignition temperature over 55°C that is typically used as a fuel for boilers, furnaces and internal combustion engines. The high sulfur type of gasoil, suitable for use in oil fired heating plants and boilers, is called heating oil, while the low sulfur type, suitable for internal combustion engines, is called diesel. Higher sulfur gasoil is also used as a feedstock in production of ultra low sulfur diesel.
Gasoline	A light liquid petroleum product that is typically used as a fuel for internal combustion engines.
GWh	Gigawatt hour, which equals 1,000 megawatt hours or one million kilowatt hours.
Heating oil	A gasoil with properties that generally make it suitable as a fuel for oil-fired heating and boilers.
Heavy fuel oil	Fuel oil with a distillation range of over 350°C. Heavy fuel oil is used in heat plants, power stations and industrial furnaces.
Heavy sour	Crude oils with a sulfur content greater than 2.0% and API less than 30.
Heavy sweet	Crude oils with a sulfur content less than 0.5% and API less than 30.
Hydrocracking	The conversion and desulfurization process (typically of vacuum gasoil) into lighter products such as diesel that takes place at high pressure and temperature in the presence of hydrogen and a fixed catalyst.
ICC Incoterms 2000	Standardized delivery terms for goods issued by the International Chamber of Commerce, which allocate the costs and liabilities of deliveries between sellers and purchasers of goods.
Light sour	Crude oils with a sulfur content greater than 0.5% and API greater than 30.
Light sweet	Crude oils with a sulfur content less than 0.5% and API greater than 30.
LPG	Liquefied petroleum gas. A gas mixture used for fuel purposes, containing propane, propylene, butane, or butylene as its main components, that has been liquefied to enable it to be transported and stored under pressure.

Lubricants	Fluids used to reduce friction and wear between solid surfaces (typically metals) in relative motion. Lubricants are generally derived from petroleum.
LVN	Light, virgin naphtha, produced during atmospheric distillation.
Medium sour	Crude oils with a sulfur content between 0.5% and 2.0% and API between 30 and 35.
MTBE	Methyl tertiary butyl ether, a high-octane component, and oxygenate, used in the production of low-emission gasoline.
Naphtha	A liquid petroleum product that is typically used as a feedstock for other petrochemical processes, generally in an isomerisation or reformer unit, producing higher octane gasoline components other petrochemical products (such as hydrogen or Benzene). Naphtha is also used as a chemical feedstock.
Natural gas	Any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at normal operating conditions is in a gaseous state.
Netback	Sales price less all delivery costs.
Northwest European crack spread	The crack spread, defined above, using crude and product prices specifically in the Rotterdam refining region. It can be calculated using different methodologies, but theoretically represents the gross margin of a refinery operating in this region. Actual refinery margins will differ based on factors, including actual crudes and refined products processed at a specific refinery. Sometimes referred to as "NWE Margin".
NOx	Nitrogen oxides, which are compounds that are produced in the combustion process and contribute to ground level air pollution such as smog.
OHSAS 18001, OSHA	International standards used to certify occupational health and safety management systems.
Petrochemicals	Many products derived from crude oil refining, such as ethylene, propylene, butylenes and isobutylene, primarily intended for use as petrochemical feedstock in the production of plastics, synthetic fibers, synthetic rubbers and other products. A variety of products are produced for use as solvents, including benzene, toluene and xylene.
ppm	Parts per million.
Refinery	A facility used to process crude oil. The basic process unit in a refinery is a crude oil distillation unit, which splits crude oil into various fractions through a process of heating and condensing. Simple, or hydroskimming, refineries normally have crude oil distillation, catalytic reforming, and hydrotreating units. The demand for lighter petroleum products, such as motor gasoline and diesel fuel, has increased the need for more sophisticated processing. Complex refineries have vacuum distillation, catalytic cracking, or hydrocracking units. Cracking units process vacuum oil into gasoline, gasoil, and heavy fuel oil.
Refining margin	The difference, for any particular quantity of crude oil, between the value of all the refined petroleum products a refinery is able to produce from such crude oil minus the cost of the crude oil (including associated costs such as transport, insurance, etc.).
RBOB	Specially produced reformulated gasoline blendstock intended for blending with oxygenates downstream of the refinery where it was produced. Includes RBOB used to meet requirements of the U.S. reformulated gasoline program.
Reformulated gasoline	An advanced type of motor gasoline formulated to produce lower environmental emissions than conventional gasolines.

Rhine Freight Premium	The Rhine freight premium is a price reflected in the oil products sold within Switzerland. It represents the additional alternative cost to an importer when bringing the same product into the Switzerland area from ARA or Germany along the River Rhine.
Saharan Light	Algerian crude oil with API gravity of approximately 45° and sulfur content of 0.1%.
SO_2	Sulfur dioxide, the combustion product of sulfur, which is formed from the use of fuels containing sulfur.
Solvent	A liquid that is used for diluting or thinning a solution. A liquid that absorbs another liquid, gas, or solid in order to form a homogeneous mixture.
Spot market	A term used to describe the international trade of cargoes or shipments of commodities, in a prompt window, in which goods are sold or purchased on an immediate payment basis.
Sulfur-free fuel	Fuel with a sulfur content less than 10 mg/kg (ppm).
TAME	Tertiary amyl methyl ether.
Thermal conversion	A chemical transformation resulting from an increase in temperature, otherwise known as cracking.
Ton	One ton represents 1,000 kilograms or approximately 2,205 pounds.
ULSD	Ultra low sulfur diesel.
Urals	The Russian benchmark crude oil which is a medium sour crude oil.
Vacuum distillation	A process that follows atmospheric distillation (when the latter is no longer feasible because of the high temperatures) that takes place in vacuum-conditions, made to obtain vacuum gasoil and a heavy vacuum residues.
Vacuum gasoil or VGO	Typically a feedstock for a cracking unit, but can be used as a blendstock in other product pools.
Visbreaking	A process by which the heavy residual oils, typically vacuum residue are subjected to thermal conversion to reduce fuel oil viscosity.

Key Dates

Annual General Meeting

May 7, 2008, Casino Zug

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