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Titan Petrochemicals Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1192)

DISCLOSEABLE TRANSACTION SALE OF TWO SHIPPING VESSELS AND RESUMPTION OF TRADING

On 15 April 2008, Sewell Global and Titan Leo Co each a wholly-owned subsidiary of the Company entered into the Avin MOAs with Avin pursuant to which Sewell Global and Titan Leo Co agreed to sell and Avin agreed to purchase the Avin Vessels for a total consideration of US\$59 million in cash (approximately HK\$460.2 million). Titan Venus and Titan Leo are single-hulled very large crude oil carriers with a dead weight tonnage of 250,267 tonnes and 245,653 tonnes built in 1986 and 1988 respectively.

The Avin Sales constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. A circular containing, amongst other things, further details of the Avin Sales will be despatched to shareholders as soon as practicable.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 16 April 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 17 April 2008.

The Directors are pleased to announce that on 15 April 2008, Sewell Global and Titan Leo Co entered into the Avin MOAs, further information on which as set out below.

I. AVIN MEMORANDA OF AGREEMENT

The parties referred to below entered into two Avin MOAs on 15 April 2008 with terms set out below. All other terms of these two Avin MOAs are substantially the same.

Parties

1. Sewell Global as seller of Titan Venus; and

Titan Leo Co as seller of Titan Leo

2. Avin International SA or its nominee, being the purchaser, who is based in Greece and is principally engaged in tanker operations, active in the shipment of crude oil and petroleum products. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Avin and its ultimate beneficial owners are third parties independent of the Company and connected person of the Company, pursuant to Rule 14.58(3) of the Listing Rules.

The Avin Sales

Pursuant to the Avin MOAs, Sewell Global and Titan Leo Co have agreed to sell and Avin has agreed to purchase the Avin Vessels.

Consideration

The total consideration payable by Avin pursuant to the Avin MOAs is US\$59 million in cash (approximately HK\$460.2 million), representing a premium of approximately 6.88% to the prevailing market value of the Avin Vessels referred to below.

Avin is to pay a deposit of 10% of the consideration in cash within 3 Banking Days after the signing of the Avin MOAs. Avin is to pay the remaining 90% of the purchase price of each Avin Vessel to the relevant Seller upon delivery of that Vessel, but not later than 3 Banking Days after that Vessel is in every respect physically ready for delivery.

The consideration has been agreed after arm's length negotiations by reference to the prevailing market values of the Avin Vessels in their existing state (being approximately US\$55.2 million (approximately HK\$430.6 million)) as confirmed by an Independent Third Party, Ritchie & Bisset (Far East) Pte Ltd, professional marine surveyors and consultants.

Delivery

Each of Sewell Global and Titan Leo Co is required to keep Avin informed of the itinerary of its Avin Vessel and is to give Avin a written notice of readiness for delivery when its Avin Vessel is in every respect physically ready for delivery in accordance with the Avin MOAs.

The expected time of delivery for Titan Venus is between 1 May 2008 and 15 June 2008 at a port to be mutually agreed in Fujairah, United Arab Emirates. If Titan Venus is not delivered to Avin by 15 June 2008, Avin has the option to cancel the transaction.

The expected time of delivery for Titan Leo is between 1 May 2008 and 31 May 2008 at a port to be mutually agreed in Fujairah, United Arab Emirates. If Titan Leo is not delivered to Avin by 31 May 2008, Avin has the option to cancel the transaction.

II. REASONS FOR THE SALES AND BENEFITS TO THE GROUP

The Company is a fully integrated downstream oil logistics company, providing end-to-end supply, transportation, storage and distribution services on a single platform. The core business of the Group encompasses global oil supply and procurement, storage, blending, transportation, ship management and other oil related services in the oil logistics chain. The Group has also established both onshore and offshore oil storage facilities in strategic locations in China and South East Asia including the operation of floating storage units in Malaysian waters serving vessels trading between the Indian Ocean and Pacific Ocean. Since October 2007, the Group has also been operating shipbuilding facilities in Quanzhou, China.

The Company continues pursue its growth strategy to transform its business with a view to becoming a leading fully integrated oil logistics provider in Asia, and to reduce its previous exposure to the volatile VLCC market where the transportation rates have remained weak. In addition to the Avin Sales, the Group has also entered into an agreement on the same date to sell the Discovery Vessel to an Independent Third Party who is not related to Avin. As the relevant percentage ratios of the transaction for the Discovery Vessel in respect of the Discovery Sale is less than 5% for the purpose of Chapter 14 of the Listing Rules, therefore the Discovery Sale is not a notifiable transaction of the Company. The Avin Sales and Discovery Sale will also enable the Group to realise value in the Avin and Discovery Vessels and the cash flow generated will be available for deployment for the benefit of the Group.

Titan Venus and Titan Leo are single-hulled very large crude oil carriers built in 1986 and 1988, respectively. The Discovery Vessel is a single-hull coastal tanker built in 1993. With the increasing age of the Avin Vessels, the maintenance costs are rising. The unaudited net results (both before and after taxation and extraordinary items) attributable to the Avin Vessels were set out in the following table:

	Financial year ended 31 December 2006		Financial year ended 31 December 2007	
	Unaudited net profit before tax	Unaudited net profit after tax	Unaudited net profit before tax	Unaudited net profit after tax
US\$'million				
Titan Venus	3.4	3.4	0.5	0.5
Titan Leo	1.4	1.4	1.9	1.8

Based on the net book value of the Avin Vessels as at 31 March 2008 but without taking into account the effects of any depreciation from 1 April 2008 up to the date of delivery of the Avin Vessels, the Avin Sales will result in the Group recording an unaudited loss of approximately US\$3.16 million (approximately HK\$24.7 million). The unaudited loss will be reduced to approximately US\$2.48 million (approximately HK\$19.3 million) after taking into account of the effect of depreciation from 1 April 2008 to the latest delivery date of the Avin Vessels.

Combining the Avin Sales and Discovery Sale, based on the net book value of the Avin Vessels and the Discovery Vessel as at 31 March 2008, the Avin Sales and Discovery Sale will result in the Group recording an unaudited loss of approximately US\$0.82 million (approximately HK\$6.4 million) but without taking into account the effects of any depreciation from 1 April 2008 up to the date of delivery of the Avin Vessels and Discovery Vessel. The unaudited loss will be reduced to approximately US\$0.06 million (approximately HK\$0.5 million) after taking into account of the effect of depreciation from 1 April 2008 to the latest delivery date of the Avin Vessels and Discovery Vessel. Given that the consideration for the Avin Sales and Discovery Sale are at a premium to the fair market value, the Directors consider that the disposal represents a good opportunity to enable the Group to realise the value of the Avin Vessels and Discovery Vessel. The proceeds of the Avin Sales and Discovery Sale are intended to be deployed to acquire operating assets.

After the Avin Sales and Discovery Sale, the Group's transportation division will operate eight coastal tankers and nine VLCCs, two of which have been converted to dual purpose (storage and transportation) vessels. The Group's fleet capacity will become approximately 2.65 million dead weight tonnes.

The Directors are of the view that the Avin Sales and Discovery Sale contemplated under the Avin MOAs and Discovery MOA are on normal commercial terms and that the terms of the Avin MOAs and Discovery MOA are fair and reasonable to the Company, and in the interests of the shareholders of the Company as a whole.

III. GENERAL

The Avin Sales constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. A circular containing, amongst other things, further details of the Avin Sales will be despatched to shareholders as soon as practicable.

IV. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 16 April 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 17 April 2008.

V. DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“Avin”	Avin International SA or its nominee, being the purchaser Titan Venus and Titan Leo, who is based in Greece;
“Avin MOAs”	The Memorandum of Agreement dated 15 April 2008 entered into between Sewell Global and Avin pursuant to which Sewell Global agreed to sell and Avin agreed to purchase Titan Venus and the Memorandum of Agreement of the same date entered into between Titan Leo Co and Avin pursuant to which Titan Leo Co agreed to sell and Avin agreed to purchase Titan Leo;
“Avin Sales”	the sale of the Avin Vessels by Sewell Global and Titan Leo Co to Avin pursuant to the terms of the Avin MOAs;
“Avin Vessels”	two very large crude oil carriers named Titan Venus with a dead weight tonnage of 250,267 tonnes built in 1986 and Titan Leo with dead weight tonnage of 245,653 tonnes built in 1988;
“Banking Days”	days on which commercial banks are open for business in Singapore, United States of America and Greece;
“Board”	the board of Directors;
“Company”	Titan Petrochemicals Group Limited, a company incorporated in Bermuda and the Ordinary Shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Discovery”	First Deep Water Discovery Ltd, being the purchaser of Neptra Premier, who is based in Nigeria;
“Discovery MOA”	The Memorandum of Agreement dated 15 April 2008 entered into between Neptune Associated and Discovery pursuant to which Neptune Associated agreed to sell and Discovery agreed to purchase Neptra Premier;

“Discovery Sale”	the sale of the Discovery Vessel by Neptune Associated to Discovery pursuant to the terms of the Discovery MOA;
“Discovery Vessel”	a coastal tanker named Neptra Premier with a dead weight tonnage of 6,537 tonnes built in 1993;
”Group”	the Company and its subsidiaries;
“HK\$”	the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	a person or entity who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of the Company and connected person of the Company pursuant to Rule 14.58(3) of the Listing Rules;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Neptune Associated”	Neptune Associated Shipping Pte Ltd, a wholly-owned subsidiary of the Company;
“Ordinary Shares” or “Shares”	the ordinary shares of HK\$0.01 each of the Company;
“Sellers”	Sewell Global and Titan Leo Co;
“Sewell Global”	Sewell Global Ltd., a wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Titan Leo Co”	Titan Leo Pte Ltd., a wholly-owned subsidiary of the Company;
“US\$”	the lawful currency of the United States of America; and
“VLCC”	Very large crude carrier.

Unless otherwise specified in this announcement, translations of US\$ into HK\$ are made in this announcement, for illustration only, at the rate of US\$1.00 to HK\$7.80. No representation is made that any amounts in US\$ or HK\$ could have been or could be converted at that rate or at any other rate.

By order of the board
Titan Petrochemicals Group Limited
Tsoi Tin Chun
Chairman

Hong Kong, 16 April 2008

As at the date of this announcement, the executive Directors are Mr. Tsoi Tin Chun and Mr. Barry Cheung Chun Yuen, JP, the non-executive Director is Mr. Ib Fruergaard and the independent non-executive Directors are Mr. John William Crawford, JP, Mr. Abraham Shek Lai Him, JP and Miss Maria Tam Wai Chu, JP.