

Chairman's Letter

Transition & transformation

2009 was a year of challenge, transition, and transformation for Chemoil. There were areas of good performance that showed the resilience of our business model and reaffirmed Chemoil's ability to grow earnings despite difficult conditions. We continued to command a strong presence in the retail marine fuel segment, leading to over 15 million tons of fuel being delivered in the year. And while earnings decreased during the recession year, it is reassuring to note that our balance sheet continues to remain strong, growing to over US\$300 million in shareholder equity.

As a reflection of our diversity, our associates and joint ventures (JVs) added a new dimension to our performance, making meaningful contributions to our results. This was especially reassuring since our approach to growth through strategic alliances will remain an integral part of our future.

Rising to the Challenge

In the midst of a particularly tough global recession, it has been a year of challenges for Chemoil. The prolonged economic depression has negatively impacted the shipping industry, our main client base. The sustained weakness in the global shipping market depressed our selling prices and this has been compounded by higher procurement costs amidst a tighter supply market, particularly in the third quarter of last year.

In most of our ports, the natural margins were eroded as wholesale to retail spreads were at their lowest for many years. While the cyclical and counter-cyclical nature of our diverse global operations in terms of location, business

lines, and asset base has yielded varying returns globally, we operate on a stable and profitable platform overall.

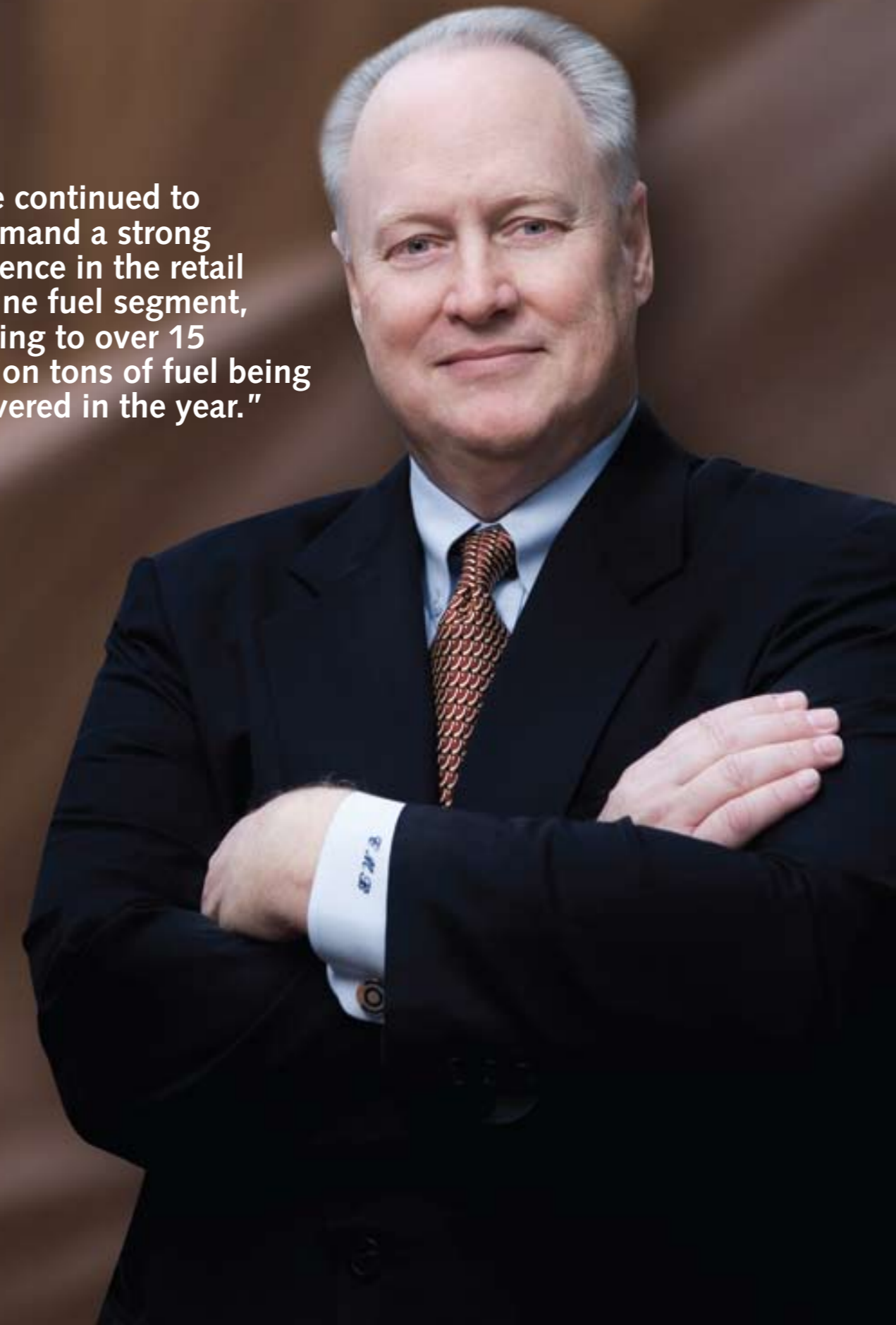
The significant volumes we moved in the marine fuel market are a reflection of our ability to adjust our sales mix toward a more favorable combination. Against the decline in our total volumes, our retail bunker segment grew 6%. Operations on the US West Coast also performed well, as did our worldwide terminal assets, a testament to the dependability of Chemoil's integrated supply chain which will remain the focus of our Group.

Our overall performance has produced for us profit after tax attributable to owners of the company of US\$11.5 million. While this figure is disappointing when compared to previous years' results, viewed from the perspective of current global conditions, especially the negative effects on the shipping industry, it is evidence of Chemoil's ability to generate positive earnings under the worst economic conditions the world has seen in the last quarter century.

A Time of Transition

Last year, Chemoil continued to reinforce our internal processes to instill a climate of transparent reporting and strengthen our stature as an established growth-oriented public company. The Silver Award for Best Managed Board at the Singapore Corporate Awards in 2009 is testimony to the quality of our Board members and the company's commitment to transparency and strong leadership. We continue to make significant strides in our evolution from a privately run enterprise to a well managed public company.

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Our risk management team continues to fortify our trading and risk management procedures. Our new trading and risk management platform gives us accurate global information in real time so that we can make informed decisions with greater precision and speed. Recognizing the increased risk faced by our business last year, we created a dedicated credit department tasked specifically to assess and monitor customer credit. Our associates and joint ventures also continue to optimize their operations, which I am happy to say yielded positive results, manifesting in strong performances from IPC (USA) Inc, Galaxy Energy Group Ltd (Galaxy) and Burando Holding BV (Burando). Strengthened by the successful first year of operation of Chemoil-Adani Pte Ltd (ChemoilAdani), our JV in India, and the promising expansion plans of GPSChemoil LLC (FZC) (GPSChemoil), our storage JV in Fujairah, our associates and joint ventures as a group demonstrate the importance of our partnership approach to growth.

Transformation Through Key Partnerships

We have one of the industry's most experienced and dynamic management teams, who have always embraced change to suit our strategies and goals. Looking back over our history, it is easy to see a recurring pattern of change as Chemoil drove our reinvention every year, and 2009 has

been no different. It has simply been business as usual, albeit set against the backdrop of an unusually challenging economic climate.

2009 was a year in which we actively sought out key strategic partners and owners for the company. The selection of Glencore International AG by the Chandran Family as our new major shareholder represents our biggest transformation to date, but one which we welcome for the benefits the expanded relationship will bring to the company. Although our business models are different, there are many areas where we complement each other and significant synergies should be realized as we continue to optimize Chemoil's unique business model with the capabilities of our new shareholder. The substantial investment made by Glencore in our company is a mark of the confidence they have in Chemoil, and can only serve to improve Chemoil's sustainability.

Bolstered by Strong Support

I would be remiss if I did not take this opportunity to thank the family of our founder, the late Bob Chandran, for their unwavering commitment and support. Their selection of Glencore was the culmination of a thoughtful and deliberate process which is entirely consistent with the

transformational leadership Bob instilled in all who were associated with Chemoil.

My personal thanks go also to our 2009 award-winning Board for their strong directorship and contributions over the year. With the same high standard set by our Board, I extend a warm welcome to Raymond Joseph Bartoszek, Mark Jonathan Catton, and Alexander Frank Beard, our three new Nominee Directors from Glencore. The depth of their experience in the oil sector as well as the global operating environment lends significant support to the Chemoil Board as we take on the future. I look forward to working closely with them to help drive Chemoil's growth.

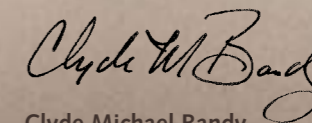
The Next Wave Forward

We enter the new decade with an optimism tempered with the appropriate amount of caution, exercising vigilance especially in the area of customer credit and counterparty risk. This is particularly important as we continue to experience growth in the retail bunker segment.

We remain steadfast to our goal of extending our footprint and supply chain globally, and I believe, with our partnership approach, that there are many growth opportunities for market development, product extension, and supply chain

optimization. These opportunities cannot be leveraged into success stories without our dedicated employees. It is their ongoing hard work and dedication that ensures that Chemoil will continue to deliver in the years ahead. My sincere gratitude goes to every member of our global staff, and I encourage our employees to once more be instruments of a positive transformation for Chemoil.

Finally, I extend my special thanks to all our shareholders, customers, and business partners for having faith in us. Their continued support rendered over what has been a very challenging year has provided the foundation upon which our enterprise continues to take root. We are invigorated at Chemoil, and raring to go forward in 2010, piloted by our nearly three decades of commitment to delivering milestones of growth.



Clyde Michael Bandy
Chairman & CEO

OUR THREE DECADES OF COMMITMENT TO DELIVERING MILESTONES OF GROWTH



2009 highlights

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Year in Review - Financial Highlights

It is reassuring that, despite a challenging year, Chemoil's balance sheet continues to remain strong, with shareholder funds increasing to US\$304.2 million.



Clean Products Business

Strong Alliances Bear Fruit

Our gross contribution per metric ton (GCMT) decreased 17.1% to US\$6.85 per metric ton, due mainly to the tightening of fuel supplies since the third quarter 2009. However, the effects were mitigated by the reduction of several major expenses such as chartering costs, rentals on operating leases, barging and pipeline expenses, and demurrage. Against the challenging economic backdrop of 2009, Chemoil recorded a profit after tax attributable to owners of the company of US\$11.5 million. Our associates and joint ventures made meaningful contributions to these results.

Retail Bunker Volumes Reach Record Highs

Following a peak in 2008, prices of petroleum products were on average lower in 2009. As a result, our total revenue was down on the previous year, as were other line items in our financial statements such as inventories recognized as an expense and financing costs.

While our volumes for 2009 dipped 8.5% to 15.1 million metric tons as a result of the downturn in the global economy, our retail bunker volumes defied the downward trend, reaching a record high of 8.9 million metric tons, an increase of 6% from the previous year. These increased volumes reflect Chemoil's growing presence and market share in the retail fuel segment, an achievement attributable to our strong competitive advantage and ability to optimize earnings through our integrated supply chain.

Foundation for Future Growth

Higher oil prices at the end of 2009 boosted current assets, particularly our receivables and inventory, which were supported by higher levels of payables and short-term borrowing. At year end, we held total working capital of US\$143 million, and our asset turnover ratios remained within our historical run rates. Our total debt to equity ratio rose to 238% at end 2009 compared to 108% at end 2008. However, our long-term debt to equity ratio improved to 54% at end 2009, compared to 64% at end 2008. It is reassuring that, despite a challenging year, Chemoil's balance sheet remains strong, with shareholder funds increasing to US\$304.2 million.