

Chairman's Letter to Shareholders

2007 was a very important year for Chemoil. Our first full year as a publicly listed company brought us a number of opportunities and market challenges. It also turned out to be the last year that we were led by the charisma, vision, and entrepreneurial brilliance of Chemoil's founder Robert V Chandran. In 2007, Bob continued to work tirelessly toward the vision that he had pursued over the last quarter of a century - that of building Chemoil into one of the most dynamic and integrated global suppliers of marine fuels.

The year was also marked by investments in strategic assets and our continued expansion into the key bunker markets of the world.

Delivering Growth

In 2007, we embarked on a range of strategic investments in terminals and vessels, the control of which will provide long term competitive advantage.

In the largest bunkering port in the world, Singapore, we built the Helios Terminal, our flagship storage facility. We made barging and terminal investments in the Amsterdam-Rotterdam-Antwerp region, the second largest bunker market. We also established a presence in the third largest bunker market, Fujairah, through our GPS-Chemoil joint venture. With the addition of these strategic assets and market presence, we have never been in a stronger competitive position than we

are today. Chemoil is now well prepared to expand from these major hubs, extract value from the supply chain, and deliver world class marine and energy products to our customers.

Challenging Markets

The year began with crude oil at around \$50 per barrel and ended with it nearing \$100. As crude oil markets remained volatile, it created a difficult environment for managing the risk associated with our inventory positions. This volatility may persist but we will continually adapt our supply operations and the way that we hedge our physical inventories to meet the changing market conditions. We are working with world class banks and investment groups to improve our hedging capabilities and create new risk management solutions or financial products for our customers.

Despite the challenging economic conditions, the shipping sector is likely to remain robust. Also, having a globally recognized brand name like Chemoil will continue to give us competitive advantage over smaller local competitors within the regional markets whilst our reputation as a dedicated, physical marine fuel provider differentiates us from other major fuel companies.

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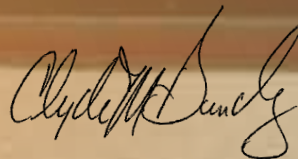
Strengthening our Infrastructure

As we increase our strategic assets and expand our global presence, our organization is also being strengthened. We have formed a logistics division that will manage all of our storage terminals and shipping assets. We will continue to rely on the depth and breadth of our management expertise to ensure seamless execution of our supply chain integration and market expansion. Our strategic assets will create the foundation by which we can facilitate the introduction of new products to better serve our customers and maximize such market opportunities.

Working Towards Long Term Value Creation

I would like to thank all our shareholders, customers and suppliers for their continued support through the year and especially over the recent months. Our Board, management and I will work together to create an exciting future where Chemoil continues to re-define the role of independent suppliers within the marine fuel industry.

As we move forward, we are focused and determined to execute our strategy of expanding into new markets, introducing new products, and integrating our supply chain. Bob Chandran liked to say that we should "... strive to leave footprints on the sands of time". This he has done. And now the employees and management of Chemoil will strive to move our company forward, leaving footprints that Bob and our shareholders will be proud of.



Clyde Michael Bandy
Chairman and CEO



Board of Directors

Vivian Chandran is a director of various companies within the Chemoil Group. She holds a Master of Arts degree in Transformative Learning and Change and a Master of Arts degree in Organization Development and Transformation from the California Institute of Integral Studies. She was an active board member within March of Dimes and a President and Board Member of the Asian American Women's Alliance in the San Francisco Bay Area.

Vivian Pearl Johnston Chandran
Non-Executive Director

Mike Bandy is an oil industry veteran with 37 years of experience. He worked for Texaco from 1970 to 1997. From 1997 to 2001, Mr Bandy was President and Director of Fuel and Marine Marketing LLC, a major supplier of marine fuels and lubricants. From 2001 to 2004, he served as President of Global Trading at Chevron where he successfully merged the global trading platforms of Texaco and Chevron. Mr Bandy was also Chairman of OceanConnect.com. He continues to hold advisory positions in Lloyds (USA) and Houston Maritime Arbitrators Association. He holds a B.S. Engineering degree from Texas A&M University, an MBA degree from the University of New Mexico, and an Executive Program certificate from the University of Michigan.

Clyde Michael Bandy
Chairman and Chief Executive Officer
(From 14 Jan 2008)
Lead Independent Director (2007)

Philip Anderson is the INSEAD Alumni Fund Professor of Entrepreneurship at INSEAD. He is also the director of 3i VentureLab and director of The Rudolf and Valeria Maag International Centre for Entrepreneurship. Previously, he taught at Cornell University and the Amos Tuck School of Business, Dartmouth College. His book "Inside the Kaisha: Demystifying Japanese Business Behavior" was named Booz Allen & Hamilton/Financial Times Global Business Book of 1997 for Industry Analysis/Business Context. Mr Anderson obtained his Bachelor of Science degree in Agricultural Economics from the University of California at Davis, and his Ph.D. in Management of Organizations from Columbia University.

Philip Calvin Anderson, PhD
Independent Director

Koji Takayanagi is Koji Takayanagi is Chief Operating Officer (Energy Trade Division) and Executive Officer of Itochu Corporation. He has worked within the Itochu group of companies since 1975 in Gas Trading, Overseas Energy, Energy, Refinery Development, Basic Industries Group Planning, Energy and Chemical, Crude and Fuel Oil, Energy Sales and Supply, Corporate Planning and Energy Trade groups, departments and divisions. Mr Takayanagi holds a Bachelor of Science and Engineering degree from Waseda University.

Koji Takayanagi
Non-Executive Director



Sharon Chandran has worked within the Chemoil Group since 1999 and currently manages our shipping operations in the Americas. Previously, she has worked in the Group's Finance, Operations, Marketing, Chartering, and Trading divisions and has been a director of various companies within the Group. She attended the University of California at Berkeley.

Sharon Stacey Johnston Chandran
Executive Director

Peter Meade is Chairman and independent director of OceanConnect Holdings Inc., a worldwide brokerage for marine fuel, gas oil, clean products, biofuel and risk management services. From 1998 to 2002, Mr Meade was Vice President and Chief Financial Officer of Fuel and Marine Marketing LLC. From 1980 to 1998, he held various management, finance and treasury positions in Texaco including Assistant General Manager of the Marine Lubricant Group. Previously, he worked at General Foods Corporation and Chase Manhattan Bank. He holds a BA degree in Liberal Arts from Saint Leo University and an MBA in Finance from Long Island University.

Peter Michael Meade
Independent Director
(From 26 Feb 2008)

Michael Lim is Chairman of Nomura Singapore Limited, the Land Transport Authority of Singapore and the National Healthcare Group Pte Ltd. He is currently a Member of the Public Service Commission and the Legal Service Commission. Mr Lim was previously the Executive Chairman of PricewaterhouseCoopers Singapore. Mr Lim is a Director of Olam International Limited, PSA International Pte Ltd and a Trustee of the Nanyang Technological University. He holds a Bachelor of Commerce and Administration degree from the Victoria University of Wellington in New Zealand and is a Chartered Accountant with the Institute of Chartered Accountants of New Zealand and a Fellow of the Institute of Certified Public Accountants of Singapore.

Michael Lim Choo San
Lead Independent Director
(From 14 Jan 2008)
Independent Director (2007)

Fuminobu Oda is General Manager within the International Energy Trading Department of the Energy, Metals and Minerals Company of Itochu Corporation. He has held appointments in the Itochu group of companies since 1984 within Domestic Marketing, Petroleum Products, Energy Sales and Supply, and International Energy Trading sections, departments and divisions. Mr Oda holds a Bachelor of Economics degree from Hiroshima University.

Fuminobu Oda
Non-Executive Director

