

FREQUENTLY ASKED QUESTIONS

1 WHO IS CHEMOIL?

We are one of the largest and leading integrated physical suppliers of marine fuel products globally. We act as "gas stations" for ships and provide fuelling services to our customers through service centres that we operate in many ports around the world.

We are a global organisation with offices and operations in North and Central America, Europe, Southeast Asia, and the Middle East. We became a public-listed company on 14 December 2006 on the Main Board of the Singapore Exchange Securities Trading Limited.

2 WHAT DOES CHEMOIL DO?

We purchase our raw materials, namely fuel oil, diesel and blend components, from national oil companies, refineries, major oil producers and other sources. We then transport these products to our various service centres for storage and blending into marine fuel. We then sell and deliver our marine fuel to a broad base of customers most of whom are located in the leading ports of the world.

We can best describe our business through the following flowchart. The flowchart also illustrates how we are vertically integrated from sourcing to delivery.



3 HOW DOES CHEMOIL GENERATE PROFITS?

We participate in all key stages of the marine fuel supply chain, enabling us to capture margins at every stage. From sourcing of our raw materials to the delivery of marine fuel oil, we add value at each stage for the benefit of our customers. Our value-add translates into our profits.

We use gross contribution and gross contribution per metric tonne of fuel sold as a supplemental financial measure because these measures focus on the primary variable components of our expenses. We believe that these measures are important metrics for analysing trends in our results of operations. For FY2006, our overall gross contribution per metric tonne increased by 25.8% from US\$7.79 per metric tonne to US\$9.80 per metric tonne.

4 WHERE IS CHEMOIL LOCATED AND HOW INTERNATIONAL IS THE COMPANY?

Our service centres are located in Los Angeles, New York, Houston, Singapore, Panama, the ARA region, and commencing in 2007, in Fujairah. Our corporate offices are located in Hong Kong, San Francisco, Singapore, Rotterdam, Panama and Monaco. We also have sales and marketing offices in San Francisco, Rotterdam, Monaco and Singapore.

We generate revenues globally and for FY2006, our revenues were generated from the following: the Americas 44.2%, Europe 30.9% and Asia 24.9%. Our sourcing is also done on a global basis.

5 WHO ARE CHEMOIL'S CUSTOMERS?

Our customers include a diverse group of ocean-going ship operators, international container and tanker fleets, time charter operators, marine fuel traders and other customers. Some of our largest customers include A.P. Moller-Maersk A/S, Chimbusco Pte. Ltd., CMACGM, World Fuel Services Corporation, American President Lines Ltd, Evergreen Marine Corp. and Yang Ming Marine Transport Corp. For FY2006, approximately 28.4% of our total volume of marine fuel was sold under fixed term contracts.

6 WHO ARE CHEMOIL'S SUPPLIERS?

We purchase our raw materials, namely fuel oil, diesel and blend components, from national oil companies, refineries, major oil producers and other sources. We purchase fuel from the following locations in the following percentages of total volume: Latin America 35%, Europe and Russia 31%, North America 23%, Asia 9% and the Middle East 2%. We purchase the majority of our fuel oil, diesel and blend components through negotiated transactions from suppliers offering marine fuel for immediate or near term delivery, which is also known as the spot market. We also purchase marine fuel products from suppliers under medium and long-term contracts ranging from a few months to a year. These contracts may specify exact or minimum volume requirements for delivery on prearranged schedules at negotiated prices that are fixed or based on market-based formulas.

7 WHO ARE CHEMOIL'S COMPETITORS?

We compete with companies supplying marine fuel to the international marine fuel market primarily based on price, quality of fuel, timeliness and reliability of service. These companies generally fall into the following categories:

- Major Oil Companies
- Large Independents
- National Government-Owned Supply Companies
- Non-Major Refiners
- Regional Independents
- Traders

8 WHAT ARE CHEMOIL'S OTHER BUSINESSES?

Through our associated company, IPC (USA), Inc., we market jet fuel to commercial airlines in the United States and sell unbranded diesel and gasoline to independent retail stations and other customers, including delivery services and industrial users.

9 HOW IS CHEMOIL MANAGED?

Our Board of Directors is entrusted with the responsibility for our overall management and direction. Our Board consists of 8 Directors of which 2 are Executive, 3 are Non-Executive, and 3 are Independent. We have 2 Board committees, the Audit Committee and the Nominating and Remuneration Committee.

Our Executive Officers are responsible for our day-to-day management and operations. Our Executive Officers consist of our CEO, Vice Presidents for Operations, Administration, Supply and Distribution, and Sales and Marketing, and our CFO. We have 2 Management Committees namely the Executive Risk Management Committee and the Executive Committee who report to our Board of Directors.

10 HOW BIG IS CHEMOIL?

In FY2006, we generated revenues of US\$4.3 billion, an increase of 18.3% from FY2005 revenues of US\$3.7 billion. We sold 13.7 million metric tonnes of fuel in FY2006, and increase of 3.2% from 13.3

million metric tonnes sold in FY2005. As at 31 December 2006, we had total assets of approximately US\$622 million and total shareholder's equity of approximately US\$236 million.

As of 31 December 2006, we own or lease storage capacity totaling approximately 562,942 metric tonnes in our service centers. We currently have about 200 employees worldwide.

11 WHAT ARE CHEMOIL'S INVESTMENT MERITS?

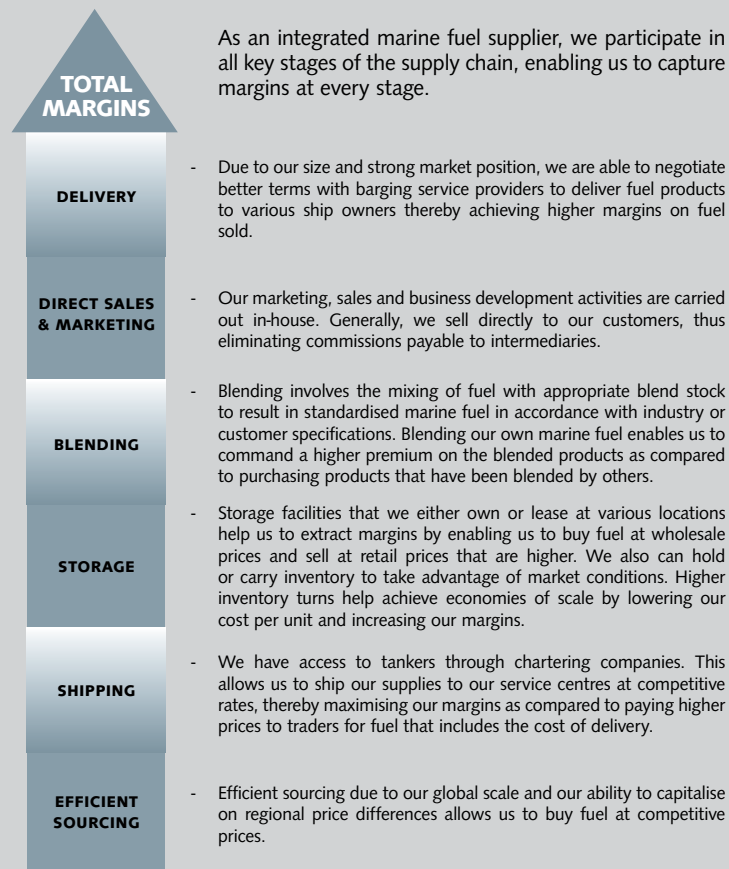
We believe that Chemoil offers potential investors an attractive investment proposition, which includes:

- Strong Brand Value
- Leading Independent Marine Fuel Supplier
- Global Presence And Relationships
- Ability to Extract Margins Through Our Integrated Business Model
- Proven Track Record of Growth and Financial Performance
- Effective Risk Management
- Experienced Management And Entrepreneurial Culture
- Access To Credit

12 HOW DIFFERENT IS CHEMOIL FROM OIL TRADING COMPANIES?

We are an integrated physical supplier of marine fuel products and add value in all the key stages of the supply chain. As such we do not just trade marine fuel products but take physical stock, provide value-add through storage and blending according to the specifications of our customers. Finally, we deliver our marine fuel products to our customers.

13 HOW DOES AN INTEGRATED BUSINESS MODEL ENABLE CHEMOIL TO ADD VALUE ALONG THE ENTIRE MARINE FUEL SUPPLY CHAIN?



14 HOW DOES CHEMOIL BENEFIT FROM DERIVATIVES AND WHAT LEVEL OF RISK DOES THE COMPANY EXPOSE ITSELF TO IN USING DERIVATIVES?

Chemoil's business model is extraction of margins in the supply chain. In the physical supply chain from contracts to physical inventory, Chemoil may be exposed to the absolute price movements in oil prices. Derivatives are margin stabilisers and relatively insulate Chemoil from price volatility. To this extent, derivatives are important hedging tools that bring reasonable certainty to the cash flows from our physical supply operations. As such, derivatives contracts are entered into in order to reduce or manage the price risk on our underlying business. Since we do not trade in derivatives as a means to speculate on oil price movements, our derivatives operations help manage price risks better and not add on to it. The Executive Risk Management Committee, which monitors our risk exposure daily, reports directly to the Board. The Risk Management Department operates with complete independence in order to ensure that our operations are in line with the risk management policies and procedures.

15 WHAT ARE CHEMOIL'S BUSINESS STRATEGIES?

Our key business strategies are :

- Focus On High Volume Locations
- Expand Into New Markets
- Market To Global Multi-National Companies
- Expand Into New Product Lines
- Enhance Cost Advantages

16 WHAT WILL BE THE DIVIDEND POLICY OF CHEMOIL GOING FORWARD?

We do not have a fixed dividend policy at the moment. Going forward, our Board of Directors will make decisions on dividend payout based on:

- The level of our cash, gearing, return on equity and retained earnings

- Our expected financial performance
- Our projected levels of capital expenditure and other investment plans
- The dividend yield of similar companies and comparable companies globally
- Restrictions on payment of dividend that may be imposed on us by our financing arrangements

The global marine fuel market is expected to grow by an average of 1.5% to 3.5% per year till 2020, based on global economic prospects and expected global fleet size (as reflected in shipyard order books).

17 WHAT DO YOU THINK ARE THE CURRENT TRENDS IN THE MARINE FUEL SUPPLY INDUSTRY?

We believe the global marine fuel supply industry is experiencing and will continue to experience positive stable growth. Growth prospects and ongoing trends may differ by regions and ports due to local economic conditions and market maturity.

