

## Press Release

For immediate release

### **CHEMOIL & ADANI FORM JOINT VENTURE**

*Initiating Pan-Indian expansion and developing the region's fuel oil and petroleum product markets*

**Singapore – September 29, 2008** – SGX Mainboard-listed Chemoil (SGX-ST: CHEL.SI), one of the world's leading physical suppliers of marine fuel products, today announced that it has signed an exclusive joint venture agreement with the NSE-listed Adani Enterprises Limited (NSE: ADANIENT). The Adani Group is one of the most dynamic conglomerates in India with diversified businesses and is the developer of the Mundra Port. This will enable the joint venture, Chemoil-Adani Private Limited to begin supplying marine fuel in the port as its first step to expanding presence throughout the Pan-Indian fuel oil and petroleum product markets.

Mundra Port is the largest private port in India and is located west of Kandla Port in the Gulf of Kutch in the western Indian state of Gujarat. Strategically positioned near the main shipping routes of Asia, the Middle East, Europe and Africa, it is the ideal location for the joint venture's launch and expansion to other Indian ports for capturing the vast potential of India's marine fuel market. Global expertise of Chemoil effectively blends with Adani Group's understanding of the Indian market, local sourcing and distribution capability and its competencies in operating a modern port.

Clyde Michael Bandy, Chemoil Chairman and CEO, commented: "This venture is a significant opportunity for Chemoil to make an early strategic entry into India's promising marine fuel market. By teaming up with an established player and building a strong presence in the region, Chemoil is well-positioned to realize our vision of being a key player in the development of the Pan-Indian fuel oil and petroleum product markets. As the first international marine fuel supplier to seriously approach the Indian market, we are delighted to have found such a strong partner in the Adani Group, who have been pivotal in developing Mundra as India's most advanced port and have unrivalled regional knowledge and networks, that will be huge assets to the venture."

Bandy continued: "Mundra is well-situated for supplying the rising number of vessels of all types that call

in the Gulf of Kutch. This joint venture creates additional synergies with Chemoil's existing businesses in Fujairah and Singapore and further demonstrates the entrepreneurial flair combined with the adaptability and strong commercial thinking that is synonymous with Chemoil."

The joint venture company will be 50:50 owned by Chemoil and the Adani Group with equal representation on the Board. The company will have an initial investment of up to US\$10 million, which can be increased as the business requires. The company will lease storage terminal facilities from the Mundra Port Special Economic Zone. The port is currently implementing a robust infrastructure upgrading program to expand its capacity and efficiencies, which will enable the joint venture to exert tighter control on operations to manage costs and ensure reliable fuel delivery. Operations will be supported initially by barges owned by the Adani Group.

In conclusion, Gautam S Adani, Chairman of the Adani Group, said: "As the Port of Mundra continues to position itself as a leading maritime center both in the State of Gujarat and in the international arena, we are tireless in our commitment to developing management, technology and infrastructural expertise to support rapidly increasing trade. Identifying new opportunities to develop service offerings and operational capabilities is a key part of creating a world-class port. With over 27 years' experience in the marine fuels market, Chemoil brings strong brand recognition, global industry market know-how and operational expertise. By combining our competencies, we look forward to building a business that will facilitate mutual growth to fulfill our ambitions and realize vast untapped potential in India."

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#### **About Chemoil**

As one of the marine fuel industry's leading physical suppliers, Chemoil delivers energy through controlling all key stages of the marine fuel supply chain, providing exceptional value to its customers and maximising profitability by converting expenses to assets - acquiring, developing and controlling physical infrastructure within the supply chain. It has integrated operations in Los Angeles, New York, Houston, Singapore, Panama, United Arab Emirates and the ARA region (Antwerp, Rotterdam and Amsterdam). Established in 1981, Chemoil continually challenges industry practices and provides leadership through its progressive and innovative approach to delivering energy. With the largest share of the marine fuels market in Los Angeles and New York, Chemoil is committed to finding innovative means to delivering energy, and has been at the forefront of supplying cleaner fuels to meet customer demands in light of changing legislation to protect the environment. Chemoil was listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on December 14, 2006. In 2007 the company delivered over 14.6 million tons of fuel. More information on Chemoil is available at [www.chemoil.com](http://www.chemoil.com)



Chemoil's growth strategy consists of three dimensions:

**MARKETS** - expansion into new markets or increasing market share in existing locations in order to improve scale economies;

**SUPPLY CHAIN** - investment and improvement in strategic assets that provide more control over the supply chain and enhance cost advantages; and

**PRODUCTS** - entering into new products lines that can successfully leverage on our existing supply chain infrastructure.

*THIS RELEASE PERTAINS TO "MARKETS" AND "SUPPLY CHAIN" ASPECTS OF CHEMOIL'S GROWTH STRATEGY.*

### About The Adani Group

The Adani Group was founded in 1988. Adanis are one of the fastest growing business houses in India and are the leaders in global commodity trading, development of infrastructure in the private sector and energy. Adanis have grown from being a trusted trading house to a diversified conglomerate and their business canvass includes, Edible Oil, Agro Products, Logistics, Power Generation, Coal, Oil and Gas Exploration, Gas Distribution, Real Estate, Ports and Special Economic Zones. Their growth has been organic which has led to a synergy among different business units, making them more productive and competitive together. The Adani Group is engaged in continuously acquiring and assimilating knowledge to build core competencies, which is done by synergizing the diverse technical and managerial abilities of dynamic human resources and by benchmarking products and services against the best in the world. Synergizing competencies among other things have made the Group closely associated with the growing prowess of India in the world. The Group turnover has crossed INR 160 billion and is growing fast. More information on the Adani Group is available at

[www.adanigroup.com](http://www.adanigroup.com)

### Forward Looking Statements

This press release may contain forward looking statements relating to the performance of Chemoil and Adani that are based on management's current expectations, estimates and projections about the oil, chemicals and other energy-related industries. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties, assumptions and other factors, some of which are beyond Chemoil and Adani's control and are difficult to predict. You are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of this press release. Unless legally required, Chemoil and Adani undertake no obligation to update publicly any forward looking statements, whether as a result of new information, future events or otherwise.

Representative examples of other factors that may impact the forward looking statements include (without limitation) general industry, international economic and political conditions, crude oil prices, refining margins, competition from other companies, the competitiveness of alternate energy sources or product substitutes, shifts in customer demands, customers and partners, changes in operating expenses, including all other unpredictable or unknown factors not discussed in this press release, which could also have material adverse effects on forward looking statements contained in this release as well as other statements made by Chemoil and Adani.

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