

## Press Release

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### **CHEMOIL EUROPE BV AND FTS/HOFFTRANS JOIN FORCES TO EXPAND MARKET PRESENCE IN THE ARA REGION**

*Share acquisition in Burando Holding BV  
bolsters Chemoil's supply chain integration strategy*

**Singapore, October 30, 2007** – SGX Mainboard-listed Chemoil (SGX-ST:CHEL.SI), one of the world's leading physical suppliers of marine fuel products, has acquired 49% of existing shares in Burando Holding BV, a leading provider of maritime logistics services in the Antwerp-Rotterdam-Amsterdam (ARA) region. The acquisition is valued at €12Million after taking into account the net tangible asset value of Burando, which includes a portfolio of subsidiary companies such as FTS/Hofftrans, one of the leading and most innovative carriers of marine fuel and related products in the ARA region.

The alliance will significantly strengthen Chemoil's foothold within barging and storage terminal operations in Europe, develop Chemoil's asset infrastructure and enhance efficiencies for the benefit of both customers and shareholders. This aligns with Chemoil's global expansion strategy, which is focused on increasing its presence throughout key stages of the marine fuel supply chain.

In 2006, FTS/Hofftrans transported 8.5 million metric tons of cargo, utilizing 21 barges with an aggregated capacity of nearly 60,000 metric tons. Significantly, 11 of these barges are double-hulled with a combined capacity of more than 46,000 metric tons. This new partnership brings to Chemoil high quality, state-of-the-art barging operations that will provide greater flexibility and better control of Chemoil's value chain. Simultaneously, the investment will enable Burando in its growth plans while operations will continue to be led by Burando's experienced management team.

FTS/Hofftrans is renowned for its innovation and industry dominance in barging with a market share of 33% and accounts for the largest part of Burando's turnover. Last month, it surpassed all previous delivery records with over 1.1 million metric tons of fuel oil transported. It boasts a fleet of self-owned barges, many of which are double-hulled in pro-active preparation for regulatory change in 2012, as well as chartered barges to provide flexibility to meet varied demand. As Chemoil has chartered barges from

FTS-Hofftrans for a number of years, including more recently vessels that are dedicated to the supply of low sulphur fuel oil, this investment will also enable Chemoil to convert expenses to assets, thereby increasing efficiencies for customer and shareholder value.

Burando's subsidiary operations also own a number of beneficial physical assets including shared ownership (50/50) of a 70,000 cubic meter tank storage capacity at the Service Terminal Rotterdam (STR) with Russian-based company Lukoil. There is potential to increase this by an additional 125,000 cubic meters by 2009, pending regulatory approval. This reflects Chemoil's existing long-term investments in terminal operations at other key locations in the US (Los Angeles), Singapore and Fujairah.

Commenting on the partnership, Chris Stoddard, Managing Director, Chemoil Europe BV said: "Chemoil's investment in Burando Holding presents great opportunities to mutually strengthen our presence in the ARA region. We have worked with Burando's subsidiary FTS/Hofftrans for a number of years to bring new and innovative methods of delivering marine fuel to our customers. For example in 2003, Chemoil and FTS/Hofftrans launched the Maxima, a new generation 6,745 metric ton double-hulled 'super' barge. More recently, Chemoil announced the time charter of its second dedicated barge to low sulphur fuel oil through FTS/Hofftrans in response to increasing demand for the product.

"As Burando continues to position itself as a leading logistical maritime services provider in the ARA region through its portfolio of branded services, it offers strong prospects for future development. The synergies between our businesses will also enable Chemoil to further integrate its supply chain operations, strengthen its network of physical assets and convert traditional running costs such as barge leasing into a valuable investment. Such expansion will provide Chemoil with a greater competitive edge whilst strengthening our service and financial performance."

In addition to increasing global storage capacity in locations such as Singapore, Fujairah and the US, Chemoil looks to develop further long-term investments in delivery vessels such as tankers and barges in order to continually boost performance standards. It is also currently exploring further expansion prospects in high volume, strategically located regions such as Panama, the Middle East and South East Asia.

Lucas Braams, Burando Holding BV, Commercial Director commented: "We are delighted to be working with a partner like Chemoil that has such a strong strategic fit. Due to the alignment of our operations, we

have already worked with Chemoil for a number of years through their pioneering initiatives with FTS/Hofftrans and have a good relationship with the team in Europe and beyond. As Burando aims to raise capital and develop future plans to continue our significant growth we look forward to achieving this in conjunction with Chemoil.”

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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 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, 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 and in the same year delivered over 13 million tons of fuel. More information on Chemoil is available at [www.chemoil.com](http://www.chemoil.com)

### **Burando Holding BV**

Burando Holding is a market leading marine logistics service provider in the Amsterdam-Rotterdam-Antwerp region. The company has full or part ownership in several operations under subsidiary brands such as FTS/Hofftrans BV and Service Terminal Rotterdam (STR). With offices in Rotterdam, Antwerp and Giswil (Switzerland) the group’s main activities include inland tank barging, and the transshipment and storage of mineral and chemical bulk goods. It currently employs around 100 employees and holds stake in several companies with an annual turnover of €32m. The Burando Group prides itself as a leader in sustainability and environmental practices. For more details, visit [www.burandoholding.com](http://www.burandoholding.com).

### **Forward Looking Statements**

This press release may contain forward looking statements relating to Chemoil’s performance 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’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 undertakes 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.

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