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CHEMOIL ENERGY LIMITED FORMS JOINT VENTURE PARTNERSHIP FOR FURTHER EXPANSION IN PANAMA

Singapore, 22 February 2007 – Mainboard-listed Chemoil Energy Limited (“Chemoil” or the “Company”), one of the largest and leading integrated physical suppliers of marine fuel products globally, announced that it has entered into a 50-50 joint venture partnership with International Management Holdings, Ltd (“IMH”), a company incorporated in the British Virgin Islands with an established barging operation in Panama, to establish Belgrave Investors, Corp (“Belgrave”), a company incorporated in the British Virgin Islands. Belgrave will be the holding company for Pacifico Bunkering Services, S.A. (“Pacifico”), which owns and operates the bunker delivery barge – MT Pacifico Trader, in Panama, and will hold 100 percent of the shares of Pacifico.

Commenting on the joint venture, Mr Robert V. Chandran, Executive Chairman and Chief Executive Officer of Chemoil said, “Efficient barge delivery systems have been a key driver to our success in the Panama Canal. Through this joint venture, we will control another of our own barges, which we believe will enable us to increase the flexibility of our marine fuel delivery system and more importantly, increase our operating margins in the Panama Canal. The addition of MT Pacifico Trader increases Chemoil’s total barge capacity to approximately 27,000 metric tons in the Panama Canal. We will continue to focus on building our barge delivery systems in Panama as well as other parts of the world in our efforts to further enhance our integrated marine fuel supply chain.”

Mr. Chandran added, “This joint venture is also in line with our business strategy of focusing on high volume locations and enhancing our cost advantages through the acquisition of strategic assets. By converting expenses to assets, we believe that we will, in the long term, reduce our operating costs, which will allow us to further grow our customer base by offering more competitive prices relative to other independent fuel suppliers.”

Pursuant to the joint venture partnership, the Company has subscribed for 25,000 shares in Belgrave for a total cash consideration of US\$750,000 and Belgrave will become an associated company of the Company.

The investment in the joint venture partnership will be funded entirely by internal resources. The joint venture is not expected to have a material impact on Chemoil’s financial performance in the current financial year.

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DELIVERING ENERGY

The initial public offering of the shares of Chemoil was sponsored by J.P. Morgan (S.E.A.) Limited and UBS AG, acting through its business group, UBS Investment Bank.

About Chemoil Energy Limited

Chemoil Energy Limited (“Chemoil” or the “Company”) is one of the world’s largest and leading integrated physical suppliers of marine fuel products.

With physical operations and service centres in many of the world’s busiest ports, including Los Angeles, New York, Houston, Singapore, Panama and the Amsterdam-Rotterdam-Antwerp region, Chemoil acts as a “gas station” for ships, providing fuelling services to its customers, which comprise a diverse group of ocean-going ship owners and ship operators engaged in the international container tanker and bulk carrier trades. The Company owns or leases terminal capacity for the storage and blending of fuels and barging facilities for the delivery of marine fuel, which allows for the full integration of marine fuel delivery service in each of the markets that it serves. By participating in all key stages of the marine fuel supply chain, Chemoil is able to provide its customers with global single supplier convenience, competitive pricing, access to specialised products, customised term contracts and a fully integrated marine fuel delivery service whilst capturing margins at every stage.

Chemoil adheres strictly to environmental laws and regulations. In line with the push towards environmentally-friendly marine fuel, the Company offers blended marine fuel that adheres to standards for reduced polluting emissions. Chemoil is committed to finding innovative means to offer products that will further ensure sustainability and improvement of the environment.

Through its associated company, IPC (USA), Inc., Chemoil also markets jet fuel to United States and international commercial airlines in the United States and markets and sells unbranded gasoline and diesel fuel to independent retail stations and other customers, including delivery services and other industrial users.

Chemoil was listed on the Main Board of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 14 December 2006.

Issued for and on behalf of Chemoil Energy Limited

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