CHEMOIL

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CHEMOIL ENERGY LIMITED ACHIEVES RECORD SALES AND EARNINGS FOR FY2006

- ***Strong testament to Chemoil's ability to extract margins at all key stages of the supply chain;***
- ***24.5 percent return on shareholders equity;***
- ***Continued focus on delivering value to all stakeholders through execution of growth strategies.***

Financial Highlights

US$'000	FY 2006	FY 2005	% Change	Q4 2006	Q4 2005	% Change
Revenue	4,345,598	3,673,776	*18.3%*	1,084,739	937,610	*15.7%*
Profit After Tax	57,848	49,513	*16.8%*	13,738	6,768	*102.9%*
EPS (US cents)	5.22	4.50	*16.0%*	1.21	0.61	*98.4%*

Singapore, 26 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, today announced record revenue and earnings for the financial year ended 31 December 2006 ('"FY2006").

Chemoil's full year revenue grew by US$672 million or 18.3 percent from US$3.7 billion for the financial year ended 31 December 2005 ("FY2005") to US$4.3 billion in FY2006. The increase was mainly due to a rise in the weighted average sales price of marine fuel by 14.7 percent from US$272.8 per metric ton in 2005 to US$313.0 per metric ton in 2006, as well as a 3.2 percent increase in sales volumes from 13.3 million tons in FY2005 to 13.7 million tons in the current financial year.

Chemoil also registered a 29.9 percent increase in gross contribution of fuel sold, from US$103.2 million in FY2005 to US$134.1 million in FY2006. Gross contribution per metric tonne of fuel sold jumped 25.8 percent, from US$7.79 in FY2005 to US$9.80 in FY2006. The improved gross contribution was a result of operational efficiencies arising from Chemoil's integrated business model and global presence, which allowed the Company to source for the most competitively priced products, as well as from freight savings.

On the back of rising revenue and growing gross contribution margins, profit after tax increased to a record high of US$57.8 million, up 16.8 percent or US$8.3 million, compared to US$49.5 million in FY2005. Corresponding to the jump in profit after tax, the Company's earnings per share rose by 16.0 percent to 5.22 US cents in FY2006 compared to 4.50 US cents last year. In line with the record net profit, Chemoil achieved a strong return on shareholders' equity of 24.5 percent.

Commenting on the results, Mr Robert V. Chandran, Executive Chairman and Chief Executive Officer of Chemoil said, "FY2006 was an exceptional year for Chemoil. We achieved record revenue and earnings, which we believe is a strong testament to Chemoil's ability to extract margins at all key stages of the supply chain, our effective risk management strategies as well as our sound business model."

Mr. Chandran added, "We were listed on the Main Board of the Singapore Exchange in December, a culmination of 25 years of strong and sustained growth, during which time Chemoil has become a recognised premium brand in the marine fuel industry. We also completed our acquisition of the ownership interest in Chemoil Europe B.V., which is now our wholly-owned subsidiary. In line with our growth strategies as disclosed in the prospectus, the Company has proceeded with several new initiatives with new funds from the listing. These include entering into a joint venture agreement to build an oil storage terminal in Fujairah, United Arab Emirates, as well as purchasing a Very Large Crude Carrier to significantly enhance storage capacity for Chemoil's global operations. We will press on with our strategies of focusing on high volume locations, expanding into new markets and product lines, increasing our customer base with an emphasis on global multi-national shipping companies along with a continued focus on expanding our margins throughout the supply chain to improve our competitive advantage. Our singular aim has always been to deliver value to our investors and all stakeholders, and we believe that we are on track in doing so."

Chemoil's balance sheet and liquidity position strengthened, with cash flow from operating activities before changes in working capital increasing 35.6 percent to US$86.5 million, from US$63.8 million in FY2005. The Company's sound financial position is demonstrated in the 103.9 percent increase in its working capital, from US$121.6 million in FY2005 to US$248.0 million in FY2006, following the injection of new funds from the Company's Initial Public Offering. The Company's current leverage provides further capacity to raise funds in the debt markets to fund its expansion plans. Net asset value per share as at 31 December 2006 was 18.28 US cents.

On a quarter-to-quarter basis, the Group's fourth quarter ("Q4") FY2006 revenue also registered an all-time high. Revenue grew by US$147.1 million or 15.7 percent from US$937.6 million in Q4FY2005 to US$1.1 billion in Q4FY2006. The increase was driven by a 34.1 percent or 1.0 million metric tonnes ("Mts") jump in the sales volume to 3.8 million Mts in 2006 from 2.8 million Mts in 2005. Profit after tax jumped two-fold, from US$6.8 million in Q4FY2005 to US$13.8 million in Q4FY2006.

- End -

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. These customers include 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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