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OPTION TO LEASE OIL STORAGE CAPACITY AT HELIOS TERMINAL EXTENDED TO 30 JUNE 2007

Singapore, 19 January 2007 – Mainboard-listed Chemoil Energy Limited (“Chemoil” or the “Company”), one of the largest and leading integrated physical supplier of marine fuel products globally, today announced that it has been granted an extension for its option (“the “Option”) to lease 265,000 cubic metres of oil storage capacity at a bunkering terminal under construction located at Jurong Island, Singapore (“The Helios Terminal”) to 30 June 2007.

The Helios Terminal is being constructed by Helios Terminal Corporation Pte. Ltd., a Singapore incorporated company beneficially owned and controlled by Chemoil’s Executive Chairman and Chief Executive Officer, Mr. Robert V. Chandran.

Commenting on the extension of the Option, Mr. Jerry Lorenzo, Chief Financial Officer of Chemoil said, “Since Chemoil was recently listed on Singapore’s Main Board, our new Board of Directors will require sufficient time to give due consideration to the Option. In addition, should the Board of Directors decide that it is in Chemoil’s commercial interest to exercise the Option and to enter into the lease agreement, Chemoil will require the approval of our shareholders to exercise the option. Therefore given the above time considerations, Helios Terminal Corporation has kindly granted the extension until 30 June 2007.”

In the event that Chemoil exercises the Option, the lease shall be for an initial term of 10 years, and the lease amount and related charges must be based on a valuation by an independent valuer to be appointed by the parties at the time when the Option is exercised. As an interested party, Mr. Chandran would abstain from any voting relating to the exercise of the Option.

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About Chemoil Energy Limited

Chemoil Energy Limited ("Chemoil" or the "Company") is one of the largest and leading integrated physical suppliers of marine fuel products globally. Chemoil purchases fuel oil, diesel oil and blend components from national oil companies, refineries, major oil producers and other sources. The Company transports, stores and blends marine fuel, which it sells and delivers to a broad base of customers. These customers include a diverse group of ocean-going ship operators, international container and tanker fleets, time charter operators, marine fuel traders and other customers. Chemoil participates in all key stages of the marine fuel supply chain, enabling it to capture margins at every stage.

Chemoil acts as "gas stations" for ships and provide fuelling services to its customers through service centres that it operates in many ports around the world. The Company provides its customers with global single supplier convenience, competitive pricing, the availability of trade credit, access to specialised products, customised term contracts and fully integrated marine fuel delivery services.

Chemoil has physical operations in many ports around the world, including Los Angeles, New York, Houston, Singapore, Panama and the Amsterdam-Rotterdam-Antwerp region. In all of these ports, it owns or leases terminal capacity for the storage and blending of fuels and barging facilities for the delivery of marine fuel to our customers, which allows for the full integration of marine fuel delivery in each of the markets that it serves. The Company maintains sales offices in San Francisco, Rotterdam, Monaco and Singapore.

Through its associated company, IPC (USA), Inc., Chemoil 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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