



CHEMOIL

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PRESS RELEASE

CHEMOIL REPORTS STRONG EARNINGS GROWTH FOR 1Q 2007

- **Profit after tax increasing by 25 percent to US\$17.9 million**
- **Sales volume increased by 18.7 percent to 3.57 million metric tons**

Singapore, 11 May 2007 – SGX Mainboard-listed Chemoil (SGX-ST: CHEL.SI) today announced its financial results for the first quarter of the 2007 financial year ("1Q2007"). The company showed strong earnings growth with overall profit after tax increasing by 25 percent from US\$14.2 million for the first quarter of 2006 ("1Q2006") to US\$17.9 million for 1Q2007. The strong results were brought about by an 18.7 percent increase in sales volume from 3.01 million metric tons for 1Q2006 to 3.57 million metric tons for 1Q2007. Furthermore, as a testament to the company's continuous improvement toward operational excellence, Chemoil's gross contribution per metric ton improved by 6.3 percent from US\$9.51 per metric ton to US\$10.11 per metric ton.

Chemoil's Executive Chairman and CEO, Mr. Robert V. Chandran said, "Our strong performance illustrates the benefits we have reaped from having a focused strategy of extracting margins at all key stages of the supply chain. We will strive to keep the momentum."

Overall revenue increased by 5.7 percent from US\$961.2 million in 1Q2006 to US\$1.02 billion in 1Q2007 during which the strong growth in our sales volumes was partially offset by a 10.6% decrease in average sales value per metric ton. In line with Chemoil's strategy to improve supply chain efficiencies, coupled with lower oil prices, purchase costs decreased by 11.8 percent from US\$300.95 per metric ton in 1Q2006 to US\$265.40 per metric ton in 1Q2007.

The total gross contribution increased by 26.1 percent from US\$28.6 million in 1Q2006 to US\$36.1 million in 1Q2007.

a member of the Chemoil Group of Companies

Commenting on the 1Q2007 results, the company's Chief Financial Officer, Mr. Jerome Lorenzo said, "This first quarter's growth is also fuelled by our diversified sourcing capability which helped to reduce our sourcing costs and offset some of the increases in our other expenses. This will help us to be more competitive and further grow our customer base."

Basic earnings per share improved from 1.29 US cents in 1Q2006 to 1.38 US cents in Q1FY2007 or 6.8 percent, reflecting the strong growth in profits after tax but partially offset by the increase in Chemoil's shares as a result of the company's IPO in December 2006. Fully diluted earnings per share improved from 1.29 US cents in 1Q2006 to 1.37 US cents in Q1FY2007 or 6.3 percent.

Chemoil also registered a strong balance sheet with debt to equity ratio of 80 percent and long term debt to equity ratio of 24 percent as at 31 March 2007 compared with 79 percent and 22 percent respectively as at 31 December 2006.

In 1Q2007, Chemoil also announced several strategic asset acquisitions. These included the Helios Terminal, a 448,000 cubic meter storage terminal being constructed on Jurong Island, the acquisition of which is subject to shareholder approval by the end of May. The terminal is expected to be operational in early 2008 and will enhance operating efficiencies in Singapore. The company also acquired a 228,000 dwt very large crude carrier or "VLCC", which is intended to be used for its Singapore operations prior to the commencement of the Helios Terminal operations. The VLCC is currently anchored in Malaysian waters and the company is in the process of integrating the VLCC to its operations.

In February 2007, Chemoil announced a joint venture agreement that will allow the company to establish a bunkering presence in the Middle East, specifically the port of Fujairah, United Arab Emirates. The JV company will own an existing 44,000 cubic meter storage terminal which Chemoil intends to expand the terminal capacity over the next couple of years.

Commenting on the company's growth strategy, Mr Chandran reiterated Chemoil's continuing focus on expanding its logistics operations including the acquisition of tankers which will be utilized in various shipping routes between the company's sourcing locations and service centers. Mr Chandran added that Chemoil was seeking opportunities to expand its business model by investing in companies or businesses providing energy products or services that are related to Chemoil's activities.

About Chemoil

Chemoil is one of the world's largest and leading integrated physical suppliers of marine fuel products, delivering over 13 million tons of fuel in 2006. The company has a global presence with integrated operations in Los Angeles, New York, Houston, Singapore, Panama and the ARA region (Antwerp, Rotterdam and Amsterdam). It owns or leases strategic assets including terminal capacity for fuel storage and blending, and barging facilities for marine fuel delivery. Chemoil employs over 200 staff in various offices in the United States, Singapore, Panama, Netherlands, Monaco and India. It participates in all key stages of the marine fuel supply chain, as well as markets and sells jet fuel, unbranded gasoline and diesel fuel. Established in 1981, Chemoil is committed to finding innovative means to offer products that protect the environment and sustain business continuity. Chemoil was listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on December 14, 2006. More information on Chemoil is available at www.chemoil.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.

Footnote

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

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