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CHEMOIL BOARD APPROVES ACQUISITION OF OIL STORAGE TERMINAL AND VESSELS

Singapore, 14 February 2007 – Mainboard-listed Chemoil Energy Limited (“Chemoil” or the “Company”), one of the largest leading integrated physical suppliers of marine fuel products globally, today announced that its Board of Directors has proposed the acquisition of 100 percent stakes in the following six corporations: Helios Terminal Corporation Pte Ltd (“**Helios**”); Link Marine Pte Ltd (“**Link**”) (with a 100 percent subsidiary Link India Marine Pvt Ltd); Olympic Shipping Pte Ltd (“**Olympic**”); Pebble Beach Shipping Company Ltd (“**Pebble**”); Pine Valley Inc. (“**Pine**”); and Cypress Point Inc. (“**Cypress**”) (the “**Acquisitions**”), all from Andorra Services Limited, a company incorporated in Hong Kong and wholly-owned by Mr. Robert V. Chandran, the Executive Chairman and Chief Executive Officer of the Company.

The Acquisitions are subject to the finalisation and execution of sale and purchase agreements for the Acquisitions of the stakes in the six corporations, to be entered into between Chemoil Logistics Inc, a wholly-owned subsidiary of the Company, and Andorra Services Limited, and conditional upon the approval of shareholders of the Company at an Extraordinary General Meeting (“EGM”). The date for the EGM will be announced later. As the Acquisitions fall within the definition of Interested Person Transactions under the SGX-ST Listing Manual, appointment of an independent financial adviser is required. In relation to this, KPMG Corporate Finance Pte Ltd has been appointed as the independent financial adviser in connection with the Acquisitions.

Helios is in the process of building an oil storage terminal at the Jurong Island in Singapore. The completion date for the 16.97 ha oil storage terminal is expected to be in early 2008. When completed, the oil storage terminal will have a total storage capacity of 448,000 cubic metres with 18 storage tanks.

Olympic is the owner of a panamax oil tanker. Pine and Cypress are each the owner of a 7,000 DWT oil tanker (both currently under construction with anticipated delivery in September 2007 and December 2007 respectively). Pebble is the owner of a bulk carrier. Link is a ship management company.

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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.

Commenting on the acquisitions, Mr Jerome Lorenzo, Chief Financial Officer of Chemoil said, "These acquisitions are synergistic to Chemoil's business and in line with Chemoil's strategy, as disclosed in our prospectus, of investing in strategic assets that are closely associated with our core business. Through the acquisition of these strategic assets, Chemoil will be able to achieve greater supply chain efficiencies and convert expenses to assets, reducing operating costs in the long term and thereby sharpening our competitive edge. In addition, these strategic acquisitions will allow Chemoil to avoid future potential conflict of interests and minimise Interested Person Transactions. As part of our efforts to constantly enhance our integrated supply chain, we will continue to explore opportunities to invest in assets that provide cost advantages and will allow us to achieve greater operating efficiency."

The Acquisitions are expected to have a positive impact on Chemoil's financial performance in the current financial year. Further information on the proposed acquisitions will be announced at a later date, as and when the information becomes available.

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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.

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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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