

CHEMOIL ENERGY LIMITED
(Incorporated in Hong Kong on 9 October 1987)
(Company Registration No. 200591)

ACQUISITION OF SUBSIDIARIES

The Board of Directors of Chemoil Energy Limited (the "**Company**"), and together with its subsidiaries, the "**Group**") wishes to announce the following:

1. Link Marine Pte Ltd

The Company has, through its wholly owned subsidiary, Chemoil Navigation Limited, acquired the entire issued and paid-up share capital of Link Marine Pte Ltd ("**LMPL**") from Andorra Services Limited ("**Andorra**") for a consideration of US\$100,000 (the "**LMPL Acquisition**").

Andorra is fully and beneficially owned by the Company's Chairman and CEO, Robert V. Chandran.

The consideration of US\$100,000 was arrived at based on the book value of LMPL.

The LMPL Acquisition is not expected to have any material impact on the Company's consolidated earnings and net tangible assets per share in the current financial year.

2. Baltic Fuels Inc

The Company has increased its direct equity interest in Baltic Fuels Inc ("**Baltic**") from 42.5% to 85% (the "**Baltic Acquisition**") by acquiring an additional 42.5% equity interest from Group Commercial Lux S.A..

Baltic, which was incorporated in the British Virgin Islands, has a fully paid up capital of US\$250,000.

The consideration for the Baltic Acquisition at US\$231,649.20 was arrived at on a "willing buyer, willing seller" basis by taking into account the net book value of Baltic's unaudited financial statement as at 31 March 2007, of which 42.5% of the net book value of Baltic is approximately US\$218,780.

By Order of the Board

Robert Viswanathan Chandran
Executive Chairman and Chief Executive Officer
21 September 2007

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.