

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

GRANT OF OPTIONS PURSUANT TO THE 2006 SHARE OPTION SCHEME

The Board of Directors (the “**Board**”) of Chemoil Energy Limited (the “**Company**”), and together with its subsidiaries, the “**Group**”) wishes to announce the grant of share options pursuant to the 2006 Share Option Scheme (the “**Scheme**”). The details of the grant are set out below:

(a)	Date of Grant:	12 December 2008
(b)	Exercise price of options granted:	US\$0.174
<p>The exercise price is equal to the average of the last dealt prices for the Company’s shares on the Singapore Exchange for the 5 consecutive Trading Days immediately preceding the Date of Grant, determined in accordance with the terms of the Scheme.</p>		
(c)	Number of options granted:	9,528,000
(d)	Market price (last done price) of the Company’s shares on the date of grant:	US\$0.17
(e)	Number of options granted to directors and controlling shareholders (and their associates):	<p>A total of 528,000 options were granted to three independent non-executive directors and 4,500,000 options were granted to the chief executive officer.</p> <p>No options were granted to controlling shareholders and their associates.</p>
(f)	Validity period of the options:	<p>If granted to an employee of the Group, the Options will be exercisable after the first anniversary of the date of the grant of the Options as follows:-</p> <p>(a) 20% of the Options are exercisable any time after the first anniversary of the Date of Grant until the tenth anniversary of the Date of Grant;</p> <p>(b) 40% of the Options are exercisable any time after the second anniversary of the Date of Grant until the tenth anniversary of the Date of Grant;</p> <p>(c) 60% of the Options are exercisable any time after the third anniversary</p>

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.

		<p>of the Date of Grant until the tenth anniversary of the Date of Grant;</p> <p>(d) 80% of the Options are exercisable any time after the fourth anniversary of the Date of Grant until the tenth anniversary of the Date of Grant; and</p> <p>(e) 100% of the Options are exercisable any time after the fifth anniversary of the Date of Grant until the tenth anniversary of the Date of Grant.</p> <p>If granted to an independent non-executive director or the chief executive officer, the options will be exercisable after the first anniversary of the date of grant until the tenth anniversary of the date of grant as follows:-</p> <p>(a) 50% of the Options are exercisable any time after the first anniversary of the Date of Grant until the tenth anniversary of the Date of Grant; and</p> <p>(b) the remaining 50% of the Options are exercisable any time after the second anniversary of the Date of Grant until the tenth anniversary of the Date of Grant.</p>
--	--	--

In accordance with the rules of the Scheme, Mr Philip Calvin Anderson and Mr Peter Meade, being the Chairman and member of the Nominating and Remuneration Committee (the "NRC") respectively, were not involved in the deliberations of the NRC and the Board, and have abstained from voting, in respect of the options granted to them individually.

By Order of the Board

Clyde Michael Bandy
Chairman and Chief Executive Officer
12 December 2008