

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

UPDATE ANNOUNCEMENT

Further to its announcement released on 27 August 2009, the Board of Directors of Chemoil Energy Limited (the “**Company**”) wishes to inform shareholders that the Company has been informed by its majority shareholder that it is still currently in discussions involving a possible sale of some or all of its shares in the Company and that at this juncture, the discussions may or may not materialise into something definitive. The Company will keep the market informed if it is informed by its majority shareholder of any significant developments in this regard by making the appropriate announcement in compliance with the SGX-ST Listing Manual.

The Company also wishes to advise shareholders of the Company to exercise caution in relation to market rumours, particularly in the context of dealing in the shares of the Company.

By Order of the Board

Clyde Michael Bandy
Executive Chairman and Chief Executive Officer
28 September 2009