

## **Bunkerworld**

### **Chemoil posts Q3 profit in 'challenging conditions'**

**November 11, 2010**

Global marine fuel supplier Chemoil Energy Ltd. has announced a net profit of \$2.6 million for the third quarter (Q3) of 2010.

"The Group has continued to improve operating performance including its gross contribution per metric tonne (GCMT)," said a statement accompanying the results.

It reported GCMT of \$5.6 for Q3, up from \$5 for Q2 and \$1.7 in Q1.

It said its sales volumes in the three months July to September were 3.8 million metric tonnes (mt), up 2.7% on volumes in the same period last year.

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The latest results mean Chemoil's sales volumes for the first nine months of 2010 reached 11.5 million mt, an increase of 3.6% on the period January to September 2009.

Revenue for the nine-month period topped \$5,304 million, a 36% increase year-on-year.

It was the second quarter in a row that Chemoil had announced a profit but the Group remained in the red for the year-to-date, following losses of \$13.5 million in Q1.

Its losses for the first nine months stand at \$7.7 million.

"It was an improved net profitability performance this third quarter following a difficult start to 2010, however our business continues to be exposed to weak wholesale-retail margin spreads caused by oversupply and weak demand in some of our port locations," said Chemoil's Chairman and Chief Executive Officer (CEO,) Mike Bandy.

"While Chemoil continues to perform better despite challenging economic conditions, we are starting to capture some of the benefits of recovering demand in specific sectors, namely our core shipping market.

"Our retail and ex-wharf marine fuel sales in Asia continue to increase in the third quarter.

"Overall, we are on the right path as our strategies position us to grow profitably and as markets continue to improve."

Bandy said Chemoil would continue to drive its business "towards improved profitability, higher sales volumes, and reduced operational costs."

"We have seen in the past two months there have been a number of positive developments for Chemoil including the establishment of a new regional operations office in New York; proceeded with the fourth phase of construction of what would be Chemoil's largest global storage facility in Fujairah through our joint venture with Gulf Petrol Supplies LLC; and the launch of our expanded offering to include risk management products and services to our shipping customers as a fitting complement to our core physical fuel delivery."

Chemoil's Chief Financial Officer, Jerome Lorenzo, said: "The effectiveness of our strategy to improve operational efficiency is becoming more evident in our net profitability and remains an important component of our ongoing process.

"We also remain focused on measures that have enabled us to lower overheads, with the benefits now becoming more visible in operational areas like storage and barging."