

Bunkerworld

Chemoil's Mike Bandy to be replaced by OceanConnect CEO

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Global marine fuel supplier Chemoil Energy Limited said Monday that it has entered into a letter of intent (LOI) with OceanConnect Holdings Inc to acquire its marine fuel group.

The company intends to appoint Thomas Reilly, the present CEO and one of the shareholders of OceanConnect Holdings, to succeed Mike Bandy as CEO of Chemoil upon the successful closing of the acquisition, it said in a filing to the Singapore Exchange.

"In the event Mr. Reilly assumes the position of CEO at Chemoil, Mr. Bandy will continue as a non-independent Director and Chairman of the company in order to provide for a smooth and seamless transition of the management leadership to Mr. Reilly," said Chemoil.

Currently, the parties are in the process of "undertaking the due diligence exercise and negotiating the definitive sale and purchase agreement."

The potential acquisition is expected to include a significant number of key marine fuel employees located in London, New York, Tokyo, Korea and Dubai handling an annual sales volume of some 8.5 million metric tonnes, it said.

OceanConnect Holdings's marine fuel group is a global brokerage and trading business providing customers marine fuel auctions, fuel derivatives, and brokering services.

"The potential acquisition, if brought to a close, will complement the company's existing core business as a premier independent supplier of marine fuel," said Chemoil.

The company expects to close the acquisition before the end of the year and will provide more details alongside any appointment "in due course".

OceanConnect was initially launched as an online bunker trading platform in 2000 by Fuel and Marine Marketing (FAMM), the bunkering unit of Chevron and Texaco (now Chevron)

and BP Marine and Shell Marine Products (SMP). Tom Reilly was head of the new company's development team.

At the time of the launch, Bandy was president and director of FAMM.

In December 2001, Reilly announced that Chemoil had taken an equity stake in OceanConnect .