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Chemoil sets up new subsidiary in Singapore

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Global marine fuel supplier Chemoil Energy Limited said Wednesday it had incorporated a new wholly-owned subsidiary in Singapore named Chemoil Marine Fuel Pte Ltd (CMF).

CMF's activities will include investment holding and marine fuel related services, Chemoil's Chairman and CEO Mike Bandy said in a short filing to the Singapore Exchange at noon.

He added that CMF would have an initial paid-up capital of S\$1.00 and "be recapitalized as and when the need arises".

Last week, Chemoil said it has entered into a letter of intent (LOI) with OceanConnect Holdings Inc to acquire its marine fuel group.

The company also intends to appoint Thomas Reilly, the present CEO and one of the shareholders of OceanConnect Holdings, to succeed Bandy as CEO of Chemoil upon the successful closing of the acquisition.

Chemoil posted net profit of \$2.6 million for the third quarter (Q3) of 2010 compared to net losses of \$12.6 million in the corresponding period in 2009. It, however, remained in the red for the year to-date with losses at \$7.7 million for the first nine months of 2010.