

Lloyd's List

Chemoil seals OceanConnect deal

January 4, 2011

Buys Ocean Connect's marine fuel business for \$25m

CHEMOIL, the Singapore-listed bunkering company, has acquired the marine fuel business of OceanConnect for a \$25m purchase price, according to a company statement.

In a move flagged up late last year, Chemoil completed the acquisition of the company yesterday. In a parallel move, Chemoil has appointed a former chief executive of OceanConnect, Tom Reilly, to the position of chief executive. Mr Reilly takes over from Mike Bandy, who retains his role as company chairman.

OceanConnect's bunkering operation amounts to around 8.5m tonnes annually, a figure that will significantly add to Chemoil's own tally. The company delivered 15m tonnes of fuel oil in 2009. In addition to its brokerage, OceanConnect has an internet auction site for bunker fuel.

Chemoil posted strong third quarter results although this performance is set against an overall loss for the first nine months of the year. Although not a universal phenomenon, oversupply in some markets has narrowed wholesale-retail spreads which, in turn, has affected the company's bottom line.