

World Bunkering

Chemoil completes take over of OceanConnect Holding's marine fuel business

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Tom Reilly becomes Chemoil's new CEO while Mike Bandy remains as Chairman

Singapore Stock Exchange mainboard-listed international bunker supplier Chemoil has completed its acquisition of OceanConnect Holding's (OCH) marine fuel business. A statement says that the purchase price "as agreed by both parties is expected to be approximately US\$25m and took into account factors such as the marine fuel business' historical and future earnings potential.

According to Chemoil the deal includes the acquisition of OCH's marine fuel business, its independent online bunker auction portal, and a team of experienced bunker brokering and trading employees and staff in the US UK, UAE, South Korea, Japan and Denmark. The company says newly acquired business will make use of OceanConnect's "brand equity" and continue to operate using the name OceanConnect Marine (OCM):

As part of the deal OCH's former Chief Executive Officer, Tom Reilly, has also been appointed as Chemoil's new CEO and Director. Mike Bandy, who held the dual role of Chairman and CEO in Chemoil, will remain as Chairman and Non-Independent Director "to ensure a smooth leadership transition".

Founded by the late Bob Chandran, Chemoil is now majority-owned by trading house Glencore with the balance of shares held by Itochu Corporation.

Mr Bandy commented: "The addition of OCM is accretive, and certainly complements our stable of businesses, which include GPSChemoil, ChemoilAdani, Burando, Galaxy and IPC (USA). It would increase Chemoil's annual sales volumes by 8 to 9 million metric tons, substantially expand our presence in several key markets and strengthen our competitive advantage in providing speedy, cost-effective and highly reliable fuel supplies to shipping operators worldwide."

Prior to his role as CEO of OCH, Mr Reilly was Vice President for Fuel and Marine Marketing LLC, a Texaco and Chevron joint venture, and was responsible for bunkering and fuel trading in the Pacific Rim and the Middle East regions.