

Stock Markets Review

Chemoil Buys OceanConnect's Bunkering Business For US\$25m

January 4, 2011

Marine fuel supplier Chemoil Energy (Chemoil) has agreed to acquire the marine fuel business of global energy brokerage firm OceanConnect Holdings for about US\$25m (\$32.1m). The deal includes OceanConnect's marine fuel business, its independent online bunker auction portal and its bunker brokering and trading desks in the United States, United Kingdom, United Arab Emirates, South Korea, Japan and Denmark. And a total of 38 OceanConnect brokers and marine fuel traders will join Chemoil as part of the deal. Meanwhile, OceanConnect's former chief executive officer Tom Reilly has been named Chemoil's new CEO and director effective from 3 Jan-11.

Significance: The acquisition will expand Chemoil's reach in key bunkering ports and add about 8m to 9m metric tons a year in its annual marine fuel sales.