

# Press Release

For Immediate Release

## CHEMOIL REPORTS \$23.2 MILLION PROFIT ATTRIBUTABLE TO EQUITY HOLDERS FOR FIRST QUARTER 2011

Sales Volumes Increased 25%  
GCMT Near Record High In Recent History

	1Q Jan-Mar 2011	1Q Jan-Mar 2010	% Increase / (Decrease)
Revenue – US\$ million	2,587.4	1,748.4	48
Sales Volume – MTs million	4.6	3.7	25
Profit / (Loss) before tax – US\$ million	31.5	(14.5)	N/M
Profit / (Loss) attributable to equity holders – US\$ million	23.2	(13.5)	N/M
Gross Contribution per MT – US\$	14.4	1.7	N/M

**Singapore, May 12, 2011** – SGX mainboard-listed Chemoil (SGX-ST: CHEL.SI), one of the world’s leading suppliers of marine fuel, announced today that it has recorded the strongest profit attributable to equity holders of the company since IPO at US\$23.2 million for the first quarter of 2011 (1Q2011).

Gross contribution per metric ton (GCMT), the company’s key margin indicator, climbed to US\$14.4 per metric ton, compared to US\$1.7 per metric ton in the same quarter last year. The positive operating results achieved in the fourth quarter of last year not only continued into 2011, but also accelerated in the first quarter of this year, resulting in one of the best GCMT ever reported.

The Group also achieved sales volumes of 4.6 million metric tons as compared to 3.7 million metric tons in first quarter of 2010, representing an increase of 25%. This volume expansion is generated in part by OceanConnect Marine bunker trading group acquired in January 2011, coupled with increased ex-wharf and cargo sales in Europe and Asia, to jointly contribute to the marked improvement in 1Q2011 results. In the Americas, lower retail sales were compensated by higher wholesale volumes.

Chemoil's COO and CFO, Mr Mats Berglund explained, "The company's performance is strongly influenced by improving market conditions coupled with restructuring initiatives which have allowed us to record the best quarterly profits in the company's history since IPO in 2006. The recovery highlights the competitive advantage inherent in Chemoil's business model which allows the company to gain greater control of its entire supply chain."

Chemoil's recent cost-reduction drive has also borne results, with barging and pipeline costs decreased by US\$2.5 million or 14%; rentals, which are predominantly for storage tank leases, reduced by US\$1.7 million or 18%; and demurrage costs lowering by US\$2.2 million or 45%, amongst other cost savings recorded in 1Q2011.

Chemoil's CEO Tom Reilly concluded, "I am very proud to see the company's streamlining initiatives translating into a profitable bottom line and shareholder value creation. 2011 started on a positive note in many ways – the margin environment improving, the stable income stream from our optimized logistics assets, and our joint ventures and associates' continued positive contributions as can be seen in this quarter's results. We are invigorated by the many potential new business opportunities on the horizon, and we aim to seize the opportunities to reach new milestones for the company when the time is ripe."

**END**

#### **About Chemoil**

As one of the marine fuel industry's leading suppliers, Chemoil delivers energy through controlling all key stages of the marine fuel supply chain, providing exceptional value to its customers and maximizing profitability by converting expenses to assets - acquiring, developing and controlling physical infrastructure within the supply chain. It has integrated operations in Los Angeles, New York, Houston, Singapore, Panama, United Arab Emirates, India and the Amsterdam-Rotterdam-Antwerp (ARA) region. Its affiliated companies include IPC (USA), Galaxy, Burando, GPSChemoil, ChemoilAdani and OceanConnect Marine. Established in 1981, Chemoil continually challenges industry practices and provides leadership through its progressive and innovative approach to delivering energy. It has been at the forefront of supplying cleaner fuels to meet customer demands in light of changing legislation to protect the environment. Chemoil was listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on December 14, 2006. In 2010, the company delivered 15.6 million tons of fuel. More information on Chemoil is available at [www.chemoil.com](http://www.chemoil.com).

#### **Forward Looking Statements**

This press release may contain forward looking statements relating to Chemoil's performance that are based on management's current expectations, estimates and projections about the oil, chemicals and other energy-related industries. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties, assumptions and other factors, some of which are beyond Chemoil's control and are difficult to

predict. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Chemoil undertakes no obligation to update publicly any forward looking statements, whether as a result of new information, future events or otherwise.

Representative examples of other factors that may impact the forward looking statements include (without limitation) general industry, international economic and political conditions, crude oil prices, refining margins, competition from other companies, the competitiveness of alternate energy sources or product substitutes, shifts in customer demands, customers and partners, changes in operating expenses, including all other unpredictable or unknown factors not discussed in this press release, which could also have material adverse effects on forward looking statements contained in this release as well as other statements made by Chemoil.

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