



Chemoil Energy Limited Annual Report 2010

embracing

change

transformation

growth

synergy

contents

08	chairman's message	11	ceo's message	13	board of directors	16	executive officers and management team		
20	global network	23	year in review	31	managing risks	33	our people	35	environment stewardship
36	corporate structure	37	corporate information	38	corporate governance	50	financial contents		
120	statistics of shareholding								

The seasonal shift that represents the arrival of springtime heralds the blossoming of new life and welcomes a time imbued with revitalized energy.

transformation

Looking into a future of infinite opportunities, **Chemoil is embracing change as it primes for greater heights.**





1981 Beginning



2000



2004



2007



2007



2009



2011



Chemoil Today

Over time and through seasonal cycles, against environmental strain and adverse conditions, a sapling grows into a mature tree—a pillar of stability in the middle of a sprawling forest—not without bringing with it a history of unwavering fortitude.

growth

Between what we are and what we want to be,
between what we have and what we ultimately aim for,
**Chemoil continues to adapt to the times while staying
rooted to our primary focus: sustainable growth.**



Products



Enviro-Friendly Energy

Gasoline / Diesel

Jet Fuel

Marine Fuel

Americas

Europe

Asia

Middle East

Terminals

Shipping

Barging



Markets



Supply Chain

A stream in dynamic flux flows along a determined path until it reaches and unites with the vast ocean of countless prospects, of infinite possibilities.

synergy

The future of the Group will be defined by its ability to harness the strategies it has implemented and the synergies it has established. Moving forward,

Chemoil is tapping into growth opportunities with a revitalized focus.





chairman's message



“By leveraging synergies with our major shareholders, we have been able to improve the service offering to our customers by selling to or accessing customers in areas where our shareholders are strong.”

The last several years have been years of transformation, synergy and growth for Chemoil, and 2010 brought to a close a significant chapter of the company's 30-year history. Set against a backdrop of continued economic turmoil, 2010 was a challenging but nonetheless transformational year for Chemoil. Although we saw some evidence of financial recovery in the latter half of the year, a weak first quarter and continued compression of margins required us to focus on cost-efficiencies, such as reducing our global tank capacities in Houston, Panama and Singapore – moves that contributed to a much improved operational performance in the remaining quarters of 2010. While fourth quarter proved to be our strongest quarter operationally, our earnings were muted as we elected to take one-time provisions against several potential liabilities.

Completing the Transformation

Over a short four-year period, Chemoil has transitioned from a private company to a publicly listed organization. We lost Chemoil's founder, Bob Chandran, we acquired a significant new shareholder and made a major business acquisition of OceanConnect Marine (OCM). Following Bob's death, we committed to a few key objectives. First, to stabilize the company and with strong shareholder, customer, management and employee support, we were able to produce 2008 financial results that were 50% better than 2007.

Next, after almost two years of efforts, at the beginning of 2010, we helped facilitate the sale by the Chandran Family of their interest in Chemoil to Glencore. This was followed in April by Glencore's tender offer to our other shareholders. With very strong shareholding established, we were able to refocus on the business and execute strategies to

increase operational efficiencies and diversify our products and services, all against the backdrop of the worst global financial environments in over 50 years.

Finally, by year-end 2010, with our acquisition of OCM substantially negotiated, management was able to execute a well thought-out leadership succession. The appointment of Mr. Tom Reilly as CEO has separated the roles of Chairman and CEO to further strengthen the governance process of the company. I am fully confident in Tom's leadership and vision and look forward to supporting him as we move Chemoil toward the next wave of sustainable growth.

Achieving Strength Through Synergy

By leveraging synergies with our major shareholders, we have been able to improve the service offering to our customers by selling to or accessing customers in areas where our shareholders are strong. Synergies with Glencore, for example, encouraged us to commence the supply of bunkers in the port of New Orleans in 2010 after a six-year absence, and synergies with Itochu ENEX have assisted us in achieving better access to our important Japanese shipping customers.

We have also developed a comprehensive portfolio of risk management products to help mitigate our customers' risk and price volatility while guaranteeing physical supply. We can now offer a full range of risk management products and services to our customers including derivatives such as fixed forward price contracts, swaps and maximum price agreements. These derivative products will provide Chemoil with an additional revenue stream with attractive margins.

Positioned For Significant Growth

We have continued to grow in 2010 in spite of it being a difficult year. We increased our monthly bunker volumes in Singapore and Fujairah. Our joint venture with GPSChemoil secured our first Islamic funding for the construction of phase four of the Fujairah terminal. This will be one of the largest distillate and bunker storage terminals in the Middle East and Chemoil's largest storage facility globally. The successful financing of this terminal is a testament to the strong relationships Chemoil has maintained with our bankers despite the challenging economic environment.

We also opened our New York regional office, a move that brings us closer to our customers along the US East Coast. Staffed by an experienced team of professionals, our New York office will facilitate growth for Chemoil in the US East Coast.

One of the most recent significant events was the strategic acquisition of OCM, which will give Chemoil significant spontaneous growth with the inclusion of 7 to 8 million tons of OCM-brokered and traded fuel transactions. OCM will remain a strong and independent brand within the Chemoil family that we can leverage for both synergies and growth. OCM brings key additional human talent into Chemoil and helps position us for growth in the future. This acquisition adds both brokered and back-to-back bunker trading volumes to Chemoil and enhances the portfolio of services we can offer our customers.

In Warm Recognition

I would like to express my personal appreciation to all our shareholders, customers and business partners for their continued support of Chemoil through this difficult year. My thanks also go to our award-winning Board, especially to our former Lead Independent Director and Audit Committee Chairman, Mr. Michael Lim, who resigned in late 2010 due to other commitments. His role on the Board was a key factor in the smooth transition of leadership following Bob's death. I take this opportunity to also welcome Michael's successors: Lead Independent Director, Mr. Peter Meade and Independent Director and Audit Committee Chairman, Mr. Steven Simpson.

Finally, I would like to acknowledge our dedicated employees. It is their hard work and determination that transform the opportunities we identify into the successes we achieve as Chemoil. My sincere gratitude goes to every member of our global staff for their valuable contributions in 2010. Their commitment to the future of our business has been invaluable in sustaining our leadership position in the marine fuel industry. I am optimistic that 2011 and beyond will be recognized in the future as some of Chemoil's best years.



Clyde Michael Bandy
Chairman*

ceo's message

The stability that came with the shareholder changes over the last year positions Chemoil well for future expansion.

The Start of a New Chapter

In an organization guided by successful leadership, change is welcomed as a sign of opportunity for growth. Chemoil has transitioned to become a stronger, leaner and more sustainable organization with excellent corporate governance and shareholder mix. It is with honor that I take the baton of leadership to drive Chemoil's next wave of growth.

The synergies that have been created through OceanConnect Marine's joining with one of the marine fuel industry's leading suppliers, coupled with the existing synergies Chemoil has with Glencore and Itochu, will allow Chemoil to deliver even greater value. The addition also of new terminals and services provides a firm foundation for further development of what is an already strong institution.

The stability that came with the shareholder changes over the last year positions Chemoil well for future expansion. I look forward to harnessing our combined strength in talent and logistical assets to bring about even greater opportunities for Chemoil in the future.

I would like to thank the Board for its warm welcome as I take the position as CEO, and am grateful for the confidence shown in my leadership. My thanks go in particular to my predecessor, Mike Bandy, for leaving me with a well-structured and effective business model with which to work. I am grateful for his continued support and guidance as Chairman to aid in a smooth transition of leadership. Moving forward, I look to the continued support of the entire Board and the entire Chemoil team as we work as one to seize opportunities that will drive growth. Chemoil has begun an exciting new chapter in its history.



Thomas Kevin Reilly
Chief Executive Officer*



* With effect from January 3, 2011

leadership

Together, our Board of Directors drive Chemoil's strategic thrust and elevate benchmarks of excellence through sound leadership, industry experience and market insight.



board of directors



Clyde Michael Bandy
Chairman*

Mike Bandy is an oil industry veteran with over 39 years' experience. After 27 years with Texaco, in 1997 Mr. Bandy was appointed President and Director of Fuel and Marine Marketing LLC, a major supplier of marine fuels and lubricants. From 2001 to 2004, he served as President of Global Trading at Chevron where he successfully merged the global trading platforms of Texaco and Chevron. Mr. Bandy was also Chairman of global marine fuels exchange OceanConnect.com until 2006. From 2006 to 2008, he held the role of Lead Independent Director on Chemoil's Board, and continues to hold advisory roles in Lloyds (USA) and Houston Maritime Arbitrators Association. He holds a BS Engineering degree from Texas A&M University, an MBA from the University of New Mexico, and an Executive Program certificate from the University of Michigan.

Thomas Kevin Reilly
Chief Executive Officer**

Tom Reilly has been the Chief Executive Officer of OceanConnect since 1999 and was appointed to the same position in Chemoil in January 2011. He began his career in the energy industry in 1992 with Texaco in the USA. At Texaco he held several positions with increasing responsibility and his last position with Texaco was Vice President, Pacific Rim, Texaco Fuel and USA Marine Marketing, where he was responsible for fuel trading and bunker operations as well as for developing new business opportunities in the Middle East and Asia. Mr. Reilly began his career as an attorney in New York City and holds a BA from St Lawrence University, USA; a Juris Doctorate from Fordham University School of Law, USA; and a Masters of Environmental Law from Pace University, USA.

Peter Michael Meade
Lead Independent Director

Peter Meade is Chairman and Independent Director of OceanConnect Holdings Inc, a worldwide brokerage for gas oil, clean products, biofuel and risk management services. Prior to this, he was Vice President and Chief Financial Officer of Fuel and Marine Marketing LLC (FAMM) from 1998 to 2002. He held various management, financial and treasury roles in Texaco after embarking on his career in 1980, the last of which was Assistant General Manager of the Marine Lubricant Group. He has also worked at General Foods Corporation and Chase Manhattan Bank. He holds a BA in Liberal Arts from Saint Leo University and an MBA in Finance from Long Island University.

Steven Barry Simpson
Independent Director

Steven Simpson is Managing Director and Principal of Triton Advisory Group and holds or has held Chairman or Independent Director positions on several NASDAQ, SGX and Canadian listed companies over the last 15 years. Mr. Simpson has over 25 years of experience in the Oil and Gas sector in the Asia-Pacific region. Previously Mr. Simpson was Managing Partner of Price Waterhouse Consulting in Indonesia and Australia, and Partner in Charge of manufacturing sector consulting for the firm's Australian and Asian practices. He is a Certified Public Accountant, a Chartered Secretary and a member of the International Chartered Directors. He holds a degree in Commerce from the University of New South Wales.

* Chairman and CEO until January 2, 2011

** With effect from January 3, 2011

board of directors



Philip Calvin Anderson, PhD
Independent Director

Philip Anderson is the INSEAD Alumni Fund Professor of Entrepreneurship. From 2005 to 2009, he was Director of The Rudolf and Valeria Maag International Center for Entrepreneurship. He has taught at Cornell University and the Amos Tuck School of Business, Dartmouth College. His co-authored book "Inside the Kaisha: Demystifying Japanese Business Behavior" was named the Booz Allen & Hamilton/Financial Times Global Business Book of 1997 for Industry Analysis/Business Context. Mr. Anderson obtained his Bachelor of Science in Agricultural Economics from the University of California at Davis, and received his PhD in Management of Organizations from Columbia University.

Masanobu Takagi
Non-Executive Director

Masanobu Takagi is presently Chief Operating Officer of the Energy Trade Division, Itochu Corporation, having been promoted from Deputy Chief Operating Officer in 2008. He is responsible for Itochu's worldwide oil and gas trading. Since joining the company in 1979, he has held several positions in diverse roles and responsibilities for various regions worldwide: upstream oil and gas exploration, production and marketing, global crude oil trading, chartering, and personnel management. Mr. Takagi holds a Bachelor of Commerce from Hitotsubashi University.

Fuminobu Oda
Non-Executive Director

Fuminobu Oda is currently Managing Director of Itochu Petroleum Co (Singapore). He was General Manager within the International Energy Trading Department of the Energy, Metals and Minerals Company of Itochu Corporation. He has held several appointments in the Itochu Group of Companies since 1984 within Domestic Marketing, Petroleum Products, Energy Sales and Supply, and International Energy Trading sections, departments, and divisions. Mr. Oda holds a Bachelor of Economics from Hiroshima University.



Alexander Frank Beard
Non-Executive Director

Alexander Beard is Glencore's Global Head of Oil, and has more than 20 years of experience in the industry. After five years with British Petroleum's Crude Oil Department, he joined Glencore UK Ltd in 1995. For the next 13 years, Mr Beard specialized in his position as a FSU Trading Manager. In 2007, with extensive experience garnered, he was appointed to his current role as Global Head of Oil, leading Glencore's activities in Oil and Product Trading and Investments. Mr. Beard holds an MA (Hons) in Biochemistry awarded by Christ Church, Oxford.

Mark Jonathan Catton
Non-Executive Director

Mark Catton is currently the Managing Director of Glencore Singapore Pte Ltd. He has been with Glencore since 1990, taking on an initial role as a Business Analyst before moving on in 1993 to operations as a Crude & Products Operations Manager with Glencore UK Ltd. From 1995, Mr. Catton was a Trader in London, and in 1997 he was appointed to the position of Senior Naphtha & Gasoline Trading Manager in Glencore Singapore Pte Ltd. He moved into the role of Global Manager – Naphtha in 2002, and from 2004 onwards, helmed Glencore Singapore as Managing Director. Mr. Catton holds an Electrical & Electronic Engineering, B Eng (Hons) from Nottingham University, UK.

Hon Kim Weng
Non-Executive Director

Hon Kim Weng has been Senior Trading Manager, Fueloil with Glencore Singapore Pte Ltd since 2001. Previous positions include Head of Fueloil with Marubeni International Petroleum (S) Pte Ltd and various senior management roles within Shell International Eastern Trading Co. Ltd. Mr. Hon holds an LLB (Hons) from National University of Singapore and is a Qualified Person under the Legal Profession Act, Singapore.

executive officers and management team



Mats Berglund Chief Operating Officer & Chief Financial Officer

Prior to Chemoil, Mr. Mats Berglund was Senior Vice President and Head of Crude Transportation Strategic Business Unit at OSG, the international shipping company listed on the New York Stock Exchange, with responsibility for its crude oil tanker business. He has also held the senior positions with the Stena AB Group, including President of Stena Rederi AB. In Concordia Maritime AB, a public listed tanker company, Mr. Berglund was Vice President and CFO, and in 2004, he also structured and led Arlington Tankers' successful IPO on the New York Stock Exchange. He graduated in 1986 with a master's degree in Business and Finance from the University of Gothenburg, Sweden and also attended the Advanced Management Program from Harvard in 2000.



Sanjay Anand Senior Vice President, Global Operations

Mr. Sanjay Anand has headed Chemoil's logistics operations since 2007 and was appointed Managing Director of Asia and Middle East operations in 2008. Mr. Anand joined Chemoil in 2007 when the Group acquired Link Marine, a company he established in 2003. Prior to that, Mr. Anand was Operations and Technical Director for Univan Ship Management for 11 years and Engineering Surveyor at Lloyd's Register of Shipping for 6 years. Mr. Anand holds an MBA from Newcastle Business School, a master's degree in Law and International Trade with commendation from Northumbria University, and a Marine Engineering degree from the Directorate of Marine Engineering Training.



Adrian Tolson
Vice President,
Sales and Marketing



Emilio Heredia
Vice President,
Trading, Americas



Helen Surh
General Counsel



Raymund Murga
Vice President,
Finance



Michele Swanson
Vice President,
Administration & Human
Resources



Vijay Nair
Group Financial Controller



Vasanth Kumar
Director,
Global Commercial &
Corporate Risk



S I Shim
Managing Director,
OceanConnect Marine



Frederick Ivor Bendle
Director,
Internal Audit



Koichi Tahara
Director,
Strategic Planning



John Richard Beckman
Vice President,
Operations, Americas



Christopher Blake Stoddard
Managing Director,
Europe



Chee Keong Teng
Senior Trader,
Asia & Middle East



Gregg Schwartz
General Manager,
New York



Ravi S Anand
Vice President,
Operations, Asia



Veronica Valenzuela
Managing Director,
Panama



Jessie Martin
General Manager,
Shipping



Eileen Lim
Representative of
Corporate Secretary
& Legal Counsel



Karen Escobar
Head, Corporate
Communications



George Pence
Manager,
Sales & Marketing,
USA



Nick Ganas
Manager,
Sales & Marketing,
Asia

A flock of migratory birds in flight travels across borders along a clear direction and stays united as a means to reach their destination.

taking flight

The ability to swiftly, strategically and collectively adapt to varying market conditions will enable **Chemoil to seek new frontiers of growth and expand our horizons.**





global network

Change is a dynamic that Chemoil has embraced in recent years as we commit to a focused strategy that has increased our global presence and readied Chemoil for its new wave of growth.

Our Global Presence

Our strong global presence is a result of our ability to adapt to market conditions and respond to opportunities for expansion and growth.

Adaptability to constant change through a focused strategy for long-term growth has steered us through rough waters as we continue to expand into new markets, strengthen our supply chain through the acquisition and development of physical infrastructure, and nurture steadfast strategic alliances with global partners.

Operating in the world's largest bunkering markets, we are today positioned as a leading integrated physical supplier of marine fuel products globally.



Markets

Committed to delivering consistent and reliable supply to our customers around the world, we continue to expand our global footprint.

Today we have a physical presence not just in the top oil product ports in Singapore, Rotterdam and Fujairah but hold strategic locations in Los Angeles, New York, Houston, New Orleans, Balboa, Cristobal, Gulf of Mexico, and Mundra.

We will continue to seek new opportunities in developing regions that will add even greater value for our global customers.

Supply Chain

One of our key strengths is that we manage the entire supply chain, providing our international shipping customers competitive pricing, access to specialized products, customized term contracts and a fully integrated delivery service. In a strategic move to balance the volatility of the marine fuel business, we also hold terminal assets that continue to provide recurrent income.

Products

Responding to our customers' evolving needs, we offer a broad range of products tailored to add value to our existing services. For example, last year we introduced a diverse portfolio of risk management products and services to our customers. These products are designed to assist financing and improve liquidity for our customers while at the same time providing Chemoil with an additional revenue stream.

Harnessing the latest innovations and adhering to the environmental protocols, we also offer cleaner, more environment-friendly fuels to our customers around the globe.



Strategic Alliances

Our careful selection of the right global partners with whom to build strategic alliances is one of our key strategies for growth, and the reason we are able to expand quickly and seamlessly into new markets and strengthen our logistics capabilities. This approach not only facilitates successful diversification of our business but allows us to share the risks and rewards, thereby improving the quality of our income.

Our priority is to seize opportunities by enhancing, refining and adopting a business framework aimed at growth in terms of size, reach and relevance.



year in review

Chemoil's strong global competitive presence resulted in higher sales to the retail shipping market and, in turn, an overall gain in market share in certain ports.

With weak fuel demand from shipping companies and increased competition in the marine fuel business, Chemoil has been operating in a challenging environment. Since the third quarter of 2009, we have experienced a depression of wholesale to retail margins that have affected our profitability. We started 2010 with a disappointing first quarter. Yet our strong resolve to address a weakened market proved our resilience in a weak-margin environment. Overall volume growth was strong. As fuel margins began showing signs of recovery, coupled with a dynamic approach consisting of cost-cutting measures and the realignment of business models in certain ports, Chemoil registered a strong performance in the fourth quarter. Financial prudence however led us to record a financial loss in the fourth quarter despite strong operational results.

Strong Competitive Position for Market Share Gain

Despite a slow road to recovery for the world economy, and generally flat petroleum prices, our overall group volume growth in the year was at a healthy 3.3% to 15.6 million tons, including retail volume growth of 5.6% to 9.4 million tons. Although cargo volumes fell, our exwharf sales, ultimately consumed by our core shipping customers, also increased significantly.

In terms of our sales record for the year, we experienced a slight recovery in demand in comparison to the lows of 2009. Although arbitrage opportunities in cargo supply affected the cost of



our own supply, Chemoil's strong global competitive presence resulted in higher sales to the retail shipping market and, in turn, an overall gain in market share in certain ports.

A stand-out achievement for Chemoil in 2010 was our rise in ranking as the 6th largest supplier in Singapore, from 9th rank in 2009. Chemoil's higher ranking is a testament to our overall strength in the retail sector particularly in the Asian region, followed by a recovery in our retail volumes in the Americas.

year in review



Measuring Margins and Driving Operations

Mirroring our third-quarter performance in 2009, the first quarter of 2010 saw weak wholesale to retail margins. In this quarter, gross contribution per metric ton (GCMT) was at its lowest at US\$ 1.74 per metric ton although it recovered well during the second and third quarters to US\$ 5.00 and US\$ 5.60 per metric ton, respectively. Our fourth quarter presented the strongest operational performance for the year with GCMT of US\$ 6.70 per metric ton.

The end-of-year recovery can be credited to a number of measures employed to improve performance. Firstly, operations were rationalized through adjustments to our business model, taking into account the lack of arbitrage cargo opportunities. For example, in selected ports we purchased supply from local sources. Secondly, we sought to increase efficiency by examining our barge and storage assets, releasing excess capacity

where at all possible. This particular measure led to increased utilization rates by the end of the year. Finally, various cost control measures were adopted to help manage corporate overheads.

A Call for Financial Prudence

By the end of 2010, operational results recovered moderately from the initial first-quarter lows. We generated a profit before tax of US\$ 3.7 million for the fourth quarter, which already included a number of write-offs. Specifically, these write-offs pertained to bad debt provisions from a non-core subsidiary, a disputed cargo in one of our affiliated companies, an abandoned terminal project, and inventory adjustments that were made by a joint venture company. Furthermore, a US\$ 5.1 million write-off for deferred tax assets of a subsidiary in Europe significantly contributed to an overall loss after tax.

Unfortunately, due mainly to Chemoil's first-quarter performance, for the full year 2010, we recorded a loss before tax of US\$ 11.8 million and a loss after tax, attributable to equity holders, of US\$ 9.5 million.

Benefits from Diversification and Synergy

Time and again we highlight the importance of our asset diversification strategy that has led us to convert our expenses to assets. Our shipping and terminaling business units have consistently generated profitable performance. In particular, our storage facilities have experienced strong demand from a number of petroleum traders. We have benefited from this strong demand through higher rental income while not compromising our ability delivery strong volumes. In addition, the synergies we have with our shareholders have allowed us to expand opportunities. We were able to recommence bunker deliveries in New Orleans due to the fuel supplies from Glencore, and we have been developing our relationships with Japanese shipping companies through Itochu ENEX.

Stable Financial Position

Chemoil continues to experience continued resilience in our year-end financial position. With shareholder funds of US\$ 300 million, and long-term debt-equity ratio down to 46%, Chemoil has room for strategic expansion as opportunities arise. We will continue to look closely for supply opportunities at other ports, while at the same time exploring opportunities for storage terminal expansion or acquisition. Our solid banking relationships have enabled us to raise US\$ 90 million for the expansion of our joint venture terminal in the Middle East, and this will be the group's first exposure to Islamic financing. We have likewise renewed the loan for one of our terminals in the USA.



Our access to short-term trade financing facilities currently amounts to close to US\$ 2 billion. With respect to financing our core business, the Group continues to maintain strong relationships with our trade financing banks. Further, our working capital ratios continue to remain healthy with turnover ratios of 13 days for inventory, 31 days for receivables, and 21 days for payables.

year in review

Affiliates and Joint Ventures

Our strong partnerships with some of the best players in the industry has enhanced our reputation as a leading integrated supplier of marine fuel products and proven to be a major strategy for growth.

A constant throughout Chemoil's journey of change over recent years has been the synergistic alliances we have formed with some of the strongest players in the industry. By consistently selecting the right partners, we have been able to add value to our clients through improved logistics capabilities and increased product and service lines both in existing and new markets. These strategic partnerships have proven to be a highly effective strategy for growth, and one that we will continue to harness as we explore the new business opportunities that await. Our associates and joint ventures continued to perform well in the year and their contributions totalled US\$ 7.8 million.



Formed in 1989, Galaxy incorporates the existing oil trading activities of FBA AG. In November 2000, 50% ownership of Galaxy was acquired in equal proportions by Itochu Corporation of Japan (Itochu) and Chemoil. Notwithstanding these changes, the business activities of Galaxy continue to be conducted by the same experienced trading and management team.

Throughout the years, Galaxy's core activities have remained that of trading, transportation and storage of physical cargoes with a focus on crude and fuel oil in the international oil markets through the worldwide distribution network of its two external shareholders, Itochu in Asia and Chemoil in the USA.



IPC (USA) Inc was founded in partnership by Chemoil and Itochu Corporation of Japan and assumed the US operations of Itochu Petroleum Japan Ltd in March, 2004. Headquartered in Irvine, California, IPC (USA) Inc utilizes Chemoil and Itochu's extensive global network to supply gasoline, diesel, naphtha, and other clean fuel products in the US West Coast region.



GPSchemoil was formed from a partnership between Chemoil and Gulf Petrol Supplies LLC, one of the subsidiaries of the Fujairah National Group. The joint venture company, 40 percent owned by Chemoil, was set up to develop and operate an oil storage terminal in Fujairah, United Arab Emirates.

The storage terminal currently has an operational capacity of 94,000 cubic meters of storage and is undergoing expansion in view of the significant role the port will play in the region's oil exports.



Burando is a market-leading marine logistics service provider in the Amsterdam-Rotterdam-Antwerp region. The company has full or part ownership in several operations under subsidiary brands such as FTS/Hofftrans BV and Service Terminal Rotterdam. With offices in Rotterdam, Antwerp and Giswil (Switzerland), the Burando Group's main activities include inland tank barging, and the transshipment and storage of mineral and chemical bulk goods. The Burando Group prides itself as a leader in sustainability and environmental practices.



ChemoilAdani, a joint venture between Chemoil and Adani Enterprises Ltd, is the largest supplier of marine fuels in the busy Gujarat region. The Mundra Port is its main container and dry bulk port. ChemoilAdani controls all key stages of the marine fuel supply chain, providing exceptional value to its customers. Its varied marine fuel product offerings are all compliant with ISO8217:2005 and Marpol Annex VI.



The grains that flourish in a vast arable landscape represent value that is nurtured and safeguarded not only for today but also for the long haul.

sustainability

Having sown and established sound fundamentals through long-term thinking, **Chemoil continues to strive for sustainability both in the way we grow and the way we do business.**





Chemoil's adaptability to change without compromising good corporate citizenship opens up infinite possibilities and allows us to aspire higher.



Risk Management Process

managing risks

The world of tomorrow provides exhilarating opportunities. Chemoil incorporates the best and latest advancements and practices to safeguard against risks old and new alike.

Running a Stable Ship

With the objectives of achieving long-term business goals and delivering optimal value to shareholders in mind, Chemoil pays particular attention to risk management. We engage a robust, vigilant risk management system designed for speed and efficacy. Under our thorough framework, we are equipped for swift and effective identification, measurement, control, monitoring and reporting of risk. Stringent internal controls provide an additional layer of reinforcement to the process.

We center our risk management system on realizing optimal GCMT from our global supply chain operations, while hedging against price volatility of our fuel oil inventory – no doubt the most critical financial risk applicable to the business. Flexibility in our hedging strategy empowers us to mount an agile response to changing circumstances.

Structure and Process

To ensure effective risk management, we maintain a triple-level governance structure, as follows: The Risk Management Department reports to the Executive Risk Management Committee (ERMC), which in turn reports to the Board of Directors.

A top-down approach characterizes the risk management process employed by Chemoil in identifying and assessing risks. A clear distinction is made between acceptable and unacceptable risks, with insurance or hedging being established against the latter.

Clearly Defined Roles

Through clear demarcations in roles, we encourage accountability and communication in our risk governance framework, leading to the successful management of risks.

Setting the strategy for risks that the company will take comes under the purview of our strategic risk takers, who represent the highest level of authority in the company. The parameters laid out guide our tactical risk takers who make operations decisions accordingly. Our risk facilitators work independently and enable communication between strategic and tactical risk takers.

Critical Independence

To be truly effective, risk management must be free to perform its function. Chemoil's Risk Management Department operates with complete independence under our middle office function.

Acquiring information through independent channels, the Risk Management Department has a direct line of report to the CFO. This arrangement allows us to establish a sound control infrastructure, a pre-condition to view our risk exposures objectively.

Business Continuity

We employ our risk management activities as a critical component of our business continuity objectives. Our risk management operations shadow our trading, supply and marketing activities as they take place around the globe, so as to minimize lapses and gaps.

With this real-time model, we achieve round-the-clock monitoring of risk exposure, helping to ensure that our activities do not deviate from established directives. This proactive model also provides for a minimal time gap before rectification – should the need arise.



Through concerted efforts and focused execution of strategies, we continue to reinforce our performance and redefine organizational success.

our people

Courage, teamwork and entrepreneurship are the driving forces behind our people in an environment of economic uncertainty and volatility.

Core Values

The growth and future of Chemoil rests upon our people, and, as such, we view our employees as our greatest assets. Courage, teamwork and entrepreneurship are the driving forces behind our people in an environment of economic uncertainty and volatility. Throughout the last few years of change, it has been our dedicated employees who have rallied to the cause, demonstrating the commitment, unity and strength that lies at the core of Chemoil's success.

Leadership in Diversity

Chemoil promotes a multicultural environment that is reflective of our current diverse workforce. Our employees, from over 20 countries, offer valuable insights and perspectives which in turn will help to shape our products and services. At Chemoil, we believe in developing talents to help us remain competitive. As an example of our commitment to helping our people grow, our talent management program allows lateral and vertical movements in our various offices across the globe.


Chemoil's management team seeks to nurture and develop the next generation of leaders who will bring the company forward. Based on a transparent system of merit, we invest in our people and provide them with ample opportunities to excel.

Talent Management

Chemoil attracts the best and the brightest in the industry by offering our employees attractive compensation and benefits packages. Our educational fund is established to encourage our people to continually seek skills upgrading and training. At Chemoil, we recognize the valuable contribution of our employees and offer an incentive program of stock options and flexible bonuses.

New Perspectives

The role for the Human Resource team has become more challenging. We have to add value to the bottom line, be a proactive partner and demonstrate how our activities link to the company's bottom line through cost-saving measures. We will continue to identify ways to streamline internal systems and the organization in order to meet these significant responsibilities while recognizing the reality of reduced resources. The Human Resource team will review the reward structures to provide managers with the changing global leadership skills the business environment demands, and incentivizing leaders to use these capabilities effectively.

A close-up photograph of a dandelion seed head in the lower-left corner, with several seeds blowing away towards the upper-right corner against a clear blue sky. The seeds are captured in motion, creating a sense of dispersal. The text is positioned in the upper-left quadrant of the image.

Recognizing the increasing importance of more ecologically viable business practices in global trade, we at Chemoil consider environment stewardship as a vital component of our forward strategy.

environment stewardship

We celebrate changes that pave the way to sustainability within our operations and partnerships.

Sustainable Partnerships

We continue to increase and enhance the scope and depth of our sustainability efforts through investing in mutually beneficial long-term partnerships. This is a crucial directive in our three-pronged strategy for long-term growth, which allows us to consistently maintain market leadership, while bringing excellent customer service and value to our stakeholders.

With the strong support of our shareholders – some renowned international trading houses – we confidently achieve sustainable practices while enjoying valuable opportunities for growth.

New Standards for a Greener Future

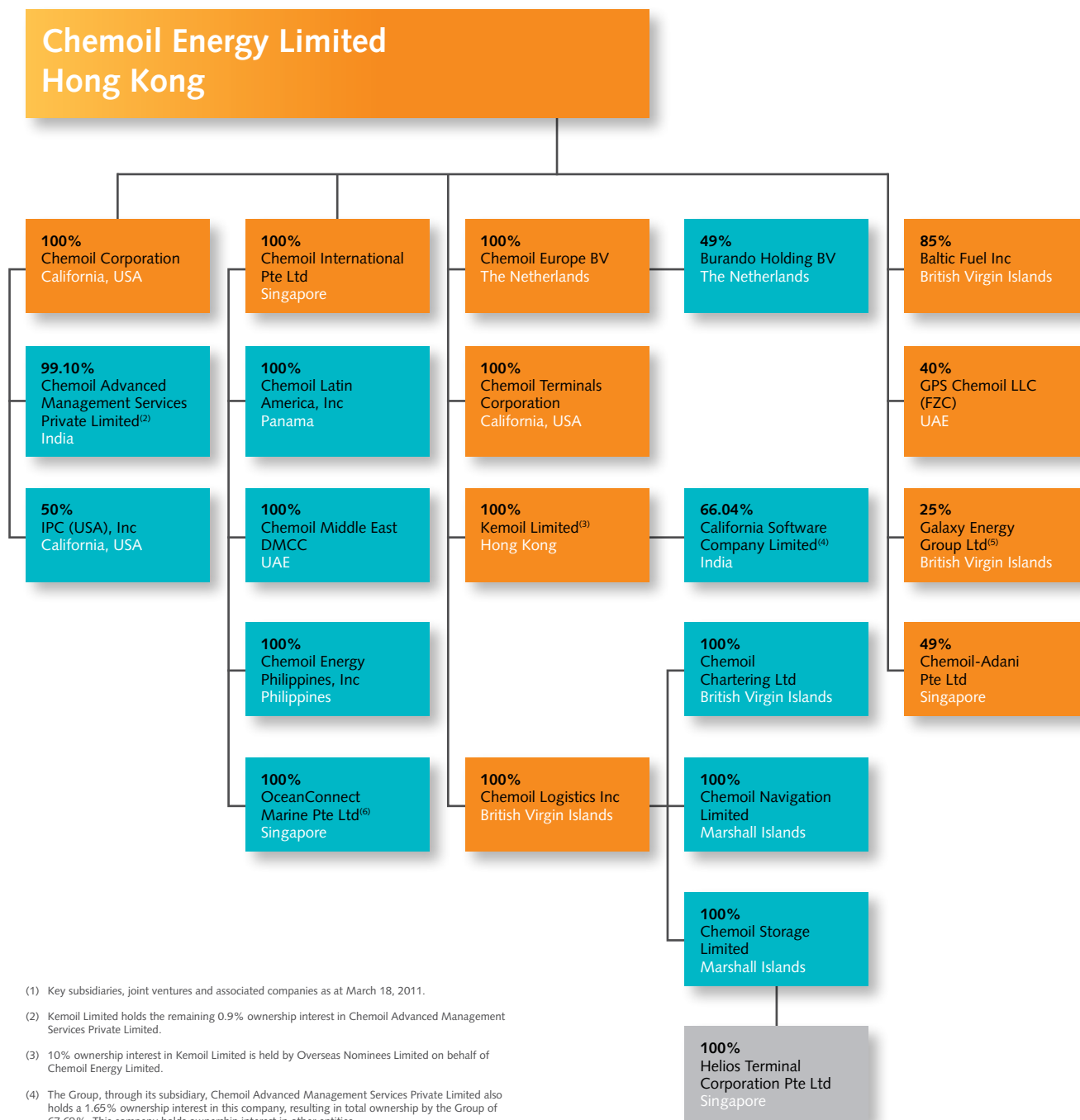
Recent regulatory changes taking the form of ISO8217:2010 in conjunction with the Revised MARPOL Annex VI promise to spur the marine industry towards better quality fuel standards. As a forward-thinking and responsible industry player, Chemoil is actively working with clients to assist them in understanding what the revision means to them, helping to derive a healthier environment for all. At the same time, we stay committed to ensuring that the delivery of the best quality bunker fuel to meet our clients' needs.

Community Care

It is an immutable fact that we are an integral part of the communities we serve. As such, Chemoil contributes to community efforts through a series of vibrant and exciting initiatives primarily focused on helping the needy.

Through our participation in the World Vision program, our staff gain the opportunity to help disadvantaged children in Ethiopia meet their basic nutritional and education needs. Their personal contributions directly sponsor these requirements. We are also active participants in the annual charity fun run – The Bull Charge, organized by the Singapore Exchange – helping to raise funds for worthy causes.

corporate structure ⁽¹⁾



(1) Key subsidiaries, joint ventures and associated companies as at March 18, 2011.
 (2) Kemoil Limited holds the remaining 0.9% ownership interest in Chemoil Advanced Management Services Private Limited.
 (3) 10% ownership interest in Kemoil Limited is held by Overseas Nominees Limited on behalf of Chemoil Energy Limited.
 (4) The Group, through its subsidiary, Chemoil Advanced Management Services Private Limited also holds a 1.65% ownership interest in this company, resulting in total ownership by the Group of 67.69%. This company holds ownership interest in other entities.
 (5) This company holds ownership interest in other entities.
 (6) With effect from January 2011.

corporate information ⁽¹⁾

Board of Directors

Chairman

Clyde Michael Bandy
(Chairman and CEO until January 2, 2011)

Chief Executive Officer

Thomas Kevin Reilly
(With effect from January 3, 2011)

Non-Executive:

Peter Michael Meade (Lead Independent)
(With effect from November 19, 2010)
Steven Barry Simpson (Independent)
(With effect from November 19, 2010)
Philip Calvin Anderson (Independent)
Alexander Frank Beard
Mark Jonathan Catton
Hon Kim Weng
(With effect from February 9, 2011)
Masanobu Takagi
Fuminobu Oda

Audit Committee

Steven Barry Simpson (Chairman)
(With effect from November 19, 2010)
Fuminobu Oda
Peter Michael Meade

Nominating & Remuneration Committee

Philip Calvin Anderson (Chairman)
Mark Jonathan Catton
Peter Michael Meade

Executive Officers & Management

Chief Executive Officer

Thomas Kevin Reilly
(With effect from January 3, 2011)

Chief Operating Officer and Chief Financial Officer

Mats Berglund
(With effect from March 3, 2011)

Senior Vice President, Global Operations

Sanjay Anand
(With effect from March 3, 2011)

Company Secretary

Karalon Limited

Representatives of the Company Secretary

Eileen Lim
Tan San-Ju

Registered Office

12/F, The Lee Gardens
33 Hysan Avenue, Causeway Bay
Hong Kong
Tel: 852-2598 5234
Fax: 852-2598 7500

Hong Kong Share Registrar

Boardroom Corporate Services
(HK) Limited
12/F, The Lee Gardens
33 Hysan Avenue, Causeway Bay
Hong Kong
Tel: 852-2598 5234
Fax: 852-2598 7500

Singapore Share Transfer Agent

Boardroom Corporate & Advisory
Services Pte Ltd
50 Raffles Place, #32-01
Singapore Land Tower
Singapore 048623
Tel: 65-6536 5355
Fax 65-6536 1360

Corporate Website

www.chemoil.com

Hong Kong Auditors

PricewaterhouseCoopers
22/F, Prince's Building Central,
Hong Kong

International Auditors

PricewaterhouseCoopers LLP
8 Cross Street
#17-00 PWC Building
Singapore 048424

Audit Partner-In-Charge

Ooi Chee Kar

Date of Appointment

Since 2006

Bankers

Bank of America Leasing and Capital LLC
Banque Cantonale de Geneve
BNP Paribas (Suisse) SA
Canara Bank
Credit Suisse
ABN AMRO Bank NV
BNP Paribas, Singapore Branch
GE Artesia Bank
ICICI Bank Limited
ING Bank NV
ING Belgium (Brussels)
JPMorgan Chase Bank NA
Mizuho Corporate Bank, Ltd
NIBC Bank Ltd
Rabobank International
Raiffeisen Bank International AG
RHB Bank Bhd
Security Bank Corporation
Sumitomo Mitsui Banking Corporation
Taiwan Cooperative Bank
The Bank of East Asia Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd
UBS AG
Union Bank of California
WestLB AG

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Tel: 507-265 5070
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Middle East

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Office No. 26-E, AG Tower (Silver Tower)
Level 26, Jumeirah Lake Towers
PO Box 35711
Dubai, UAE
Tel: 971-0-44 4 73495
Fax: 971-0 -44 4 73496

(1) As at March 18, 2011.