

# CHEMOIL ENERGY LIMITED

(Company Registration No. 200591)  
(Incorporated in Hong Kong)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Chemoil Energy Limited (“the Company”) will be held at Marina Mandarin Hotel, Taurus Room, Level 1, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Friday, 23 April 2010 at 2.30 p.m. for the following purposes:

### AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Accounts of the Company for the year ended 31 December 2009 together with the Auditors’ Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Articles 119 and 126 of the Articles of Association of the Company:

Mr. Fuminobu Oda	(Retiring under Article 119)	<b>(Resolution 2)</b>
Mr. Philip Calvin Anderson	(Retiring under Article 119)	<b>(Resolution 3)</b>

Mr. Alexander Frank Beard	(Retiring under Article 126)	<b>(Resolution 4)</b>
Mr. Raymond Joseph Bartoszek	(Retiring under Article 126)	<b>(Resolution 5)</b>
Mr. Mark Jonathan Catton	(Retiring under Article 126)	<b>(Resolution 6)</b>

Mr. Fuminobu Oda will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered non-independent.

Mr. Philip Calvin Anderson will, upon re-election as a Director of the Company, remain as Chairman of the Nominating and Remuneration Committee and will be considered independent.

Mr. Mark Jonathan Catton will, upon re-election as a Director of the Company, remain as a member of the Nominating and Remuneration Committee and will be considered non-independent.

3. To approve the payment of Directors’ fees of up to US\$750,000 for the year ending 31 December 2010 to be paid quarterly in arrears (2009: US\$750,000). **(Resolution 7)**

4. To re-appoint PricewaterhouseCoopers as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 8)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to issue shares**

That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be empowered to

- (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or

- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) (until 31 December 2010 or such other expiration date as may be determined by SGX-ST), the limit on the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) of fifty per centum (50%) of the total number of issued shares in the capital of the Company set out in sub-paragraph (1) above, shall be increased to 100% for purposes of enabling the Company to undertake pro-rata renounceable rights issues;
- (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (5) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. (See Explanatory Note (i))

**(Resolution 9)**

7. **Authority to issue shares other than on a pro-rata basis pursuant to the aforesaid share issue mandate at discounts not exceeding twenty per centum (20%) of the weighted average price for trades done on the SGX-ST.**

That subject to and pursuant to the aforesaid share issue mandate being obtained, the Directors of the Company be hereby authorised and empowered to issue shares (other than on a pro-rata basis to the shareholders of the Company) at a discount ("the Discount") not exceeding ten per centum (10%) to the weighted average price ("the Price") for trades done on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the full market day on which the placement or subscription agreement in relation to such shares is executed (or if not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement or subscription agreement is executed), provided that in exercising the authority conferred by this Resolution:-

- (a) the Company complies with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST); and
- (b) the Company may, until 31 December 2010 or such other expiration date as may be determined by SGX-ST increase the Discount to an amount exceeding ten per cent (10%) but not more than twenty per cent (20%) of the Price for shares to be issued,

unless revoked or varied by the Company in general meeting, such authority shall continue in force until (a) the conclusion of the next Annual General Meeting of the Company, or (b) the date by which the next Annual General Meeting of the Company is required by law to be held whichever is earlier. (See Explanatory Note (ii))

**(Resolution 10)**

8. **Authority to Issue Shares Under the 2006 Share Option Scheme**

That the Directors of the Company be authorised and empowered to offer and grant options under the 2006 Share Option Scheme ("the 2006 Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the 2006 Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the 2006 Scheme shall not exceed five per centum (5%) of the issued share capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. (See Explanatory Note (iii))

**(Resolution 11)**

By Order of the Board

Tan San-Ju  
Representing Company Secretary  
- Karalon Limited

Singapore, 31 March 2010

## Explanatory Notes:

- (i) The Ordinary Resolution 9 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders. The 50% limit referred to in the preceding sentence may be increased to 100% for the Company to undertake pro-rata renounceable rights issues subject to timeline stated below.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

The 100% renounceable pro-rata rights issue limit is one of the new measures implemented by the SGX-ST as stated in a press release entitled "SGX introduces further measures to facilitate fund raising" dated 19 February 2009 and which became effective on 20 February 2009 until 31 December 2010. The effectiveness of these measures will be reviewed by the SGX-ST at the end of the period. It will provide the Directors with an opportunity to raise funds and avoid prolonged market exposure by reducing the time taken for shareholders' approval, in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares. It is subject to the condition that the Company makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.

- (ii) The Ordinary Resolution 10 in item 7 above is pursuant to measures implemented by the SGX-ST as stated in a press release entitled "SGX introduces further measures to facilitate fund raising" dated 19 February 2009 and which became effective on 20 February 2009 until 31 December 2010. The effectiveness of these measures will be reviewed by SGX-ST at the end of the period. Under the measures implemented by the SGX-ST, issuers will be allowed to undertake non pro-rata placements of new shares priced at discounts of up to 20% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed, subject to the conditions that (a) shareholders' approval be obtained in a separate resolution (the "**Resolution**") at a general meeting to issue new shares on a non pro-rata basis at discount exceeding 10% but not more than 20%; and (b) that the resolution seeking a general mandate from shareholders for issuance of new shares on a non pro-rata basis is not conditional upon the Resolution.

It should be noted that under the Listing Manual of the SGX-ST, shareholders' approval is not required for placements of new shares, on a non pro-rata basis pursuant to a general mandate, at a discount of up to 10% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such shares is executed.

- (iii) The Ordinary Resolution 11 in item 8 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the 2006 Scheme up to a number not exceeding in total (for the entire duration of the 2006 Scheme) five per centum (5%) of the issued share capital of the Company from time to time ("the five percent Limit"). The five per cent Limit is calculated by including the shares which have already been allotted and issued pursuant to the exercise of options under the 2006 Scheme since the implementation of the 2006 Scheme.

## Notes:

1. With the exception of The Central Depository (Pte) Limited (the "**Depository**") who may appoint more than two proxies, a member of the Company entitled to attend and vote at the above meeting ("**Meeting**") who is a holder of two or more shares is entitled to appoint not more than two proxies to attend and vote instead of him or her at the Meeting. A proxy need not be a member of the Company.
2. Where an instrument of proxy appoints more than one proxy (including the case where the form of instrument of proxy approved by the Depository is used), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.
3. A corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at the Meeting. The person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the registered office of the Company at Suites 4301-5, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong at least 48 hours before the time fixed for holding the Meeting, otherwise the person so named shall not be entitled to vote at the Meeting except with the approval of the Chairman of the Meeting. With regards to a Shareholder being a Depositor whose name appears in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) who wishes to attend and vote at the Meeting, he must be shown to have Shares entered against his name in the Depository Register, as certified by the CDP, at least 48 hours before the time fixed for holding the Meeting. If a Depositor wishes to appoint a proxy/proxies, then the Depository Proxy Form must be deposited at the Company's Share Transfer Agent's office in Singapore, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, at least 48 hours before the time fixed for the Meeting.
5. No instrument appointing a proxy shall be valid except for the Meeting and any adjournment thereof. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the Meeting or at any adjournment of it. Detailed instructions can be found on the Proxy Form(s).