

Press Release

For immediate release

CHEMOIL REPORTS STRONG REVENUE AND VOLUME GROWTH FOR FIRST QUARTER 2008 WITH REDUCED FUEL OIL MARGINS

Highlights

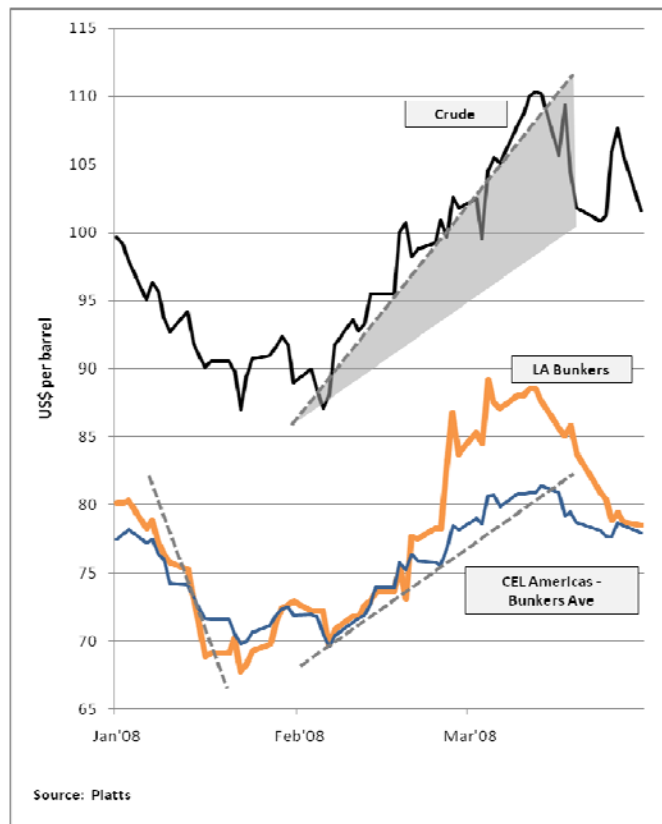
	<i>Jan-Mar 2008</i>	<i>Jan-Mar 2007</i>	<i>% Increase/ (Decrease)</i>
Revenue – US\$ million	2,361.78	1,015.68	133
Volume – MTs million	4.87	3.57	36
Gross contribution per MT – US\$	2.14	9.93	(78)
Profit (Loss) after tax – US\$ million	2.32	17.86	(87)

Singapore, May 14, 2008 – SGX Mainboard-listed Chemoil (SGX-ST: CHEL.SI) today announced its results for the 1st quarter of financial year 2008 (1Q2008). The company achieved solid growth in sales volumes reaching 4.87 million metric tons, a 36% increase compared to 1st quarter of financial year 2007 (1Q2007). Supported by higher average sales value vs last year, the Group reported revenue growth of 133% from US\$1.01billion in 1Q2007 to US\$2.36 billion in 1Q2008. However, profits declined in 1Q2008 to US\$2.32 due to a worldwide drop in marine fuel prices during January 2008 which hit physical inventories held by Chemoil at the time.

Rising volumes were driven by increased wholesale opportunities in Singapore and the Amsterdam-Rotterdam-Antwerp (ARA) region, combined with the successful development of new business operations in the Gulf of Mexico and Fujairah. Chemoil’s Chairman and CEO, Mr Clyde Michael Bandy added: “The first quarter 2008 was a challenging one and the oil markets were extremely volatile. There was an uncharacteristic January drop in marine fuel prices at all our ports which immediately squeezed our margins. Further, unit operating problems at refineries in California created a surplus of fuel oil within the regional market. These further depressed prices in the port of Los Angeles/Long Beach compared with the decline in prices at our other US ports. As the largest supplier of marine fuels in Los Angeles, these circumstances affected our short-term profitability considerably.”

Chemoil was also impacted by losses incurred from crude oil derivative hedges due to spiking crude prices and volatility inconsistent with price movements of fuel oil. Port congestion, mostly in various locations in the Americas, also increased demurrage expenses. Mr Bandy said: “Against these factors, our European operations were able to capitalize on the greater delivery capability afforded by our investment in Burando Holdings BV and turned in a profitable quarter for the region. We also recorded a non-recurring income pertaining to insurance claims.”

“In recent months, the behavior of crude prices has had far reaching effects on all businesses within and beyond our industry. Chemoil is continually adapting our hedging strategy to align with the rapidly changing market behavior. While most of our losses from crude oil derivatives came in February, we made a number of changes to our hedging strategy that produced favorable results in March.”



In conclusion, Mr Bandy said: “The trading environment is currently turbulent and we may see earnings volatility on a quarter-to-quarter basis but our fundamental business model is robust and will return long-term rewards. Investments in our asset base continue to improve cost structures and increase economies of scale while our global supply chain infrastructure provides unparalleled access to high volume locations. Our new ventures, such as the offshore bunkering in the Gulf of Mexico, are already positive indicators of this. We also continue to take the lead in the lucrative lower emission marine fuel supply market and drive best practice in this area. Together this fortifies our competitive position, which will create long-term future value for our shareholders.”

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About Chemoil

As one of the marine fuel industry's leading physical suppliers, Chemoil delivers energy through controlling all key stages of the marine fuel supply chain, providing exceptional value to its customers and maximising 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 and the ARA region (Antwerp, Rotterdam and Amsterdam). Established in 1981, Chemoil continually challenges industry practices and provides leadership through its progressive and innovative approach to delivering energy. With the largest share of the marine fuels market in Los Angeles and New York, Chemoil is committed to finding innovative means to delivering energy, and 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 2007 the company delivered over 14.6 million tons of fuel. More information on Chemoil is available at 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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Footnote

The initial public offering of the Company's shares was sponsored by J.P. Morgan (S.E.A.) Limited and UBS AG, acting through its business group, UBS Investment Bank.