

Press Release

For Immediate Release

CHEMOIL ANNOUNCES HELIOS TERMINAL OPERATIONS TO PROCEED DESPITE POSTPONEMENT OF INAUGURATION

January 09, 2007 – Chemoil Energy Limited disclosed yesterday that the proposed inauguration of Helios Terminal on Jurong Island, Singapore would be postponed out of respect for its late Executive Chairman and CEO, Mr Robert V Chandran. Mr Chandran passed away on Monday January 7, from injuries sustained from a helicopter crash in Riau province of Indonesia.

Despite the postponement, the company emphasized that operations on the 448,000 cubic meter storage terminal will commence as planned within the month of January 2008. Mr Sanjay Anand, Managing Director of Helios Terminals said: "The terminal is ready for operation and will usher in a new age for independent marine fuel suppliers in Singapore."

Chemoil will also proceed with plans to start delivering fuel from the GPS-Chemoil terminal in the UAE port of Fujairah shortly afterwards. This will provide Chemoil with a physical presence in the world's four key oil product markets, namely Singapore, Rotterdam, Fujairah and the US Gulf. Mr Anand also explained that the Fujairah terminal expansion will also be proceeding as planned.

Mr Clyde Michael Bandy, Chemoil's Lead Independent Director, stated: "Under the guidance of Bob Chandran, Chemoil has developed a robust business strategy based on controlling the marine fuel supply chain and offering our customers unrivaled quality of service and infrastructure. It would have been Bob's wish to see us take on and develop this strategy further."

Meanwhile, the Directors of Chemoil, in conjunction with the management team, are in constant communication with each other regarding the company's business continuity measures.

Mr Bandy added: "While Chemoil is a company in grieving, the operations of the business have not been disrupted, and remains wholly focused and committed to providing its customers with quality products and a world class service. The various business leaders in Chemoil are empowered to run the day-to-day operations under the existing delegation of authority. Chemoil's seasoned senior managers have been in the company on average more than 10 years or with the industry for more than 20 years and are highly capable of managing the business."

A number of Chemoil's Directors are overseas and are traveling back to Singapore including Vivian Pearl Chandran and Sharon Stacey Chandran, wife and daughter respectively of Mr Chandran.

Chemoil's CFO Mr Jerry Lorenzo added: "the Board will meet in person in Singapore on or before this week ends in order to arrive at a decision on succession and the company expects to make further

announcements soon thereafter. Chemoil remains committed to ensuring the legacy of Bob Chandran, continuing to drive the market through leadership, challenging market dynamics in the pursuit of progression, pioneering new and effective ways of delivering energy to customers and consistently creating valuable returns to our shareholders. He had the vision to create a dynamism and entrepreneurial spirit within the business that is sustainable for the long-term and driven by the whole management team. We have never been more determined to succeed.”

The Chandran family has requested privacy during this difficult time and plans to have a small family-oriented funeral service. As such, for business associates and friends who would like to pay their last respects, there will be a condolence book open at Chemoil’s offices worldwide. In Singapore, the condolence book shall be made available at the company’s office on 36th Floor of Millenia Towers from today onwards.

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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 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, 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 and in the same year delivered over 13 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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