

NOT FOR DISTRIBUTION INTO THE UNITED STATES



CHEMOIL ENERGY LIMITED
(incorporated in Hong Kong on 9 October 1987)
Company Registration Number: 200591

Offering in respect of 224,803,000 Offering Shares (subject to the Over-allotment Option)
Offering Price: US\$0.45 per Offering Share (equivalent to S\$0.70 per Offering Share for the Public Offer
based on the fixed exchange rate of US\$1.00:S\$1.5598)

Capitalised terms used herein, unless otherwise indicated, have the meanings as defined in the replacement prospectus lodged with the Monetary Authority of Singapore on 24 November 2006 (the "Prospectus").

THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SUBSCRIBE FOR AND/OR PURCHASE OFFERING SHARES.

INDICATIONS OF INTEREST AND APPLICATIONS RECEIVED

Indications of interest received for the Placement and details of applications for the Public Offer are as follows:

(a) The Placement

Indications of interest received from institutional and other investors for the 218,059,000 Offering Shares in the Placement at the Offering Price of US\$0.45 per Offering Share, as at the close of the book-building exercise at 6.00 a.m. (Singapore time) on 29 November 2006, were approximately 488,135,000 Offering Shares. The indications of interest include the subscription/purchase by, and allocation from the Placement to, Andorra Services Limited (all the shares of which are beneficially owned by the executive chairman and chief executive officer of Chemoil Energy Limited ("Chemoil"), Robert Viswanathan Chandran) of 35,969,000 Offering Shares at the Offering Price.

(b) The Public Offer

At the close of the Public Offer at 2:00 p.m. (Singapore time) on 12 December 2006, there were 17,457 valid applications made by way of Application Forms or Electronic Applications (as defined in the instructions booklet on "Terms, Conditions and Procedures for Application for the Offering Shares in Singapore" (the "Instructions")) which forms part of the Prospectus) for a total of 472,649,000 Offering Shares in the Public Offer at the Offering Price of S\$0.70 per Offering Share. In total, application monies received pursuant to such valid applications amounted to approximately S\$331 million.

ALLOCATION BETWEEN THE PLACEMENT AND THE PUBLIC OFFER

Taking into consideration the applications for Offering Shares and the indications of interest received, and to ensure a reasonable spread of shareholders, J.P Morgan (S.E.A.) Limited and UBS AG, acting through its business group, UBS Investment Bank (together with J.P Morgan (S.E.A.) Limited, the "Joint Bookrunners" or "International Underwriters"), in consultation with Chemoil and Itochu Corporation (the "Selling Shareholder"), have decided that the aggregate of 224,803,000 Offering Shares will be allocated as follows:

- (a) 218,059,000 Offering Shares to the Placement; and
- (b) 6,744,000 Offering Shares to the Public Offer.

Excluding the above-mentioned 35,969,000 Offering Shares allocated to Andorra Services Limited, the indications of interest received from institutional and other investors in the Placement were approximately 452,166,000

Offering Shares. Based on the 182,090,000 Offering Shares available under the Placement (excluding the 35,969,000 Offering Shares allocated to Andorra Services Limited), the indications of interest of approximately 452,166,000 Offering Shares under the Placement represent approximately 2.48 times the Offering Shares available under the Placement (excluding the 35,969,000 Offering Shares allocated to Andorra Services Limited).

Based on 6,744,000 Offering Shares allocated to the Public Offer and the 472,649,000 Offering Shares applied for, the Public Offer was approximately 70.08 times subscribed.

Based on the aggregate of 188,834,000 Offering Shares available (excluding the 35,969,000 Offering Shares allocated to Andorra Services Limited) and the indications of interest and applications for a total of 924,815,000 Offering Shares in the Placement and the Public Offer, the Offering (comprising the Placement and the Public Offer) was approximately 4.90 times subscribed.

In addition to the abovementioned allocations, J.P. Morgan (S.E.A.) Limited (the “Stabilising Manager”), on behalf of the International Underwriters, has over-allotted 33,720,000 Additional Shares, all of which were allocated to the Placement.

SPREAD IN RELATION TO THE PLACEMENT

251,779,000 Offering Shares (including 33,720,000 Offering Shares over-allotted to the Placement) have been validly allocated under the Placement. The spread of places is as follows:

Range of Offering Shares Allotted and/or Allocated under the Placement ('000)	Number of Places
1 to 9.9	596
10 to 49.9	165
50 to 99.9	4
100 to 499.9	4
500 to 999.9	8
1000 and above	33
Total	810

APPLICATION RESULTS FOR THE PUBLIC OFFER

To ensure a reasonable spread of shareholders, the Joint Bookrunners, in consultation with Chemoil and the Selling Shareholder, have decided that successful applicants who submitted valid applications for the 6,744,000 Offering Shares under the Public Offer complying in full with the terms and conditions set out in the Prospectus, and who have been successfully balloted, will be allotted and/or allocated all or a proportion of the Offering Shares for which they have applied. The allotment and/or allocations are as follows:

Range of Offering Shares Applied for ('000)	Balloting ratio	Number of Offering Shares allotted and/or allocated per Successful Applicant	Percentage of Total Number of Offering Shares under the Public Offer (%)	Number of Successful Applicants
1	3 : 50	1,000	1.54%	104
2 to 9	4 : 50	2,000	12.01%	405
10 to 49	5 : 50	3,000	32.43%	729
50 to 99	7 : 50	5,000	18.09%	244
100 to 499	9 : 50	7,000	30.10%	290
500 to 999	13 : 50	9,000	3.34%	25
1000 and above	18 : 50	12,000	2.49%	14

Based on the above basis of allocation, there were a total of 1,811 successful applicants from the Public Offer.

RULE 240 OF THE SGX-ST LISTING MANUAL

Pursuant to Rule 240 of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual and to the best of the knowledge and belief of the Joint Bookrunners, after having taken all reasonable steps and making all

reasonable enquiries, the following persons have acquired the following number of Offering Shares pursuant to the Offering:

Name of Holder	Relationship	Number of Offering Shares	Circumstances giving rise to the Allocation
Andorra Services Limited	A company all the shares of which are beneficially owned by Robert Viswanathan Chandran, a director and substantial shareholder of Chemoil Energy Limited	35,969,000	Allocated under the Placement
UBS AG	Member of the same group of companies as one of the issue managers and underwriters, UBS AG, acting through its business group, UBS Investment Bank	1,000,000	Allocated under the Placement

OVER-ALLOTMENT OPTION AND STABILISATION

For the purpose of Regulation 3(2)(f) of the Securities and Futures (Market Conduct) (Exemption) Regulations 2006, it is hereby announced that in connection with the Offering, Chemoil has granted the International Underwriters an over-allotment option, exercisable in whole or in part on one or more occasions by the Stabilising Manager, on behalf of the International Underwriters, commencing on the Listing Date and ending on the earlier of (i) the date falling 30 days from the Listing Date, or (ii) the date when the Stabilising Manager or its appointed agent has bought, on the SGX-ST, an aggregate of 33,720,000 Shares, representing 15.0% of the total Offering Shares, to undertake stabilising actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price, to subscribe for up to an aggregate of 33,720,000 Shares (representing not more than 15.0% of the total number of Offering Shares) at the Offering Price, solely to cover the over-allotment of the Offering Shares, if any.

In connection with the Offering, the Stabilising Manager (or persons acting on its behalf) may, on behalf of the International Underwriters, over-allot Shares or effect transactions that stabilise or maintain the market price of the Shares at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations. Such transactions, if commenced, may be discontinued at any time and shall not be effected after the earlier of (i) the date falling 30 days from the Listing Date, or (ii) the date when the Stabilising Manager or its appointed agent has bought, on the SGX-ST, an aggregate of 33,720,000 Shares, representing 15.0% of the total Offering Shares, to undertake stabilizing actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price. An announcement will be made if and when the Over-allotment Option is exercised.

COMMENCEMENT OF TRADING AND REFUNDS

The Shares are expected to commence trading on a “ready” basis at 9:00 a.m. (Singapore time) on 14 December 2006, subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Shares on a “ready” basis have been fulfilled. There will be no trading on a “when issued” basis.

Unsuccessful applications using printed Application Forms, together with the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom), are expected to be returned to the applicants by ordinary post, at the applicants’ own risk, within 24 hours after the balloting of applications, in accordance with the procedures set out in the Instructions. For unsuccessful Electronic Applications, it is expected that the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom) will be credited to the applicants’ accounts with their respective Participating Banks (as defined in the Instructions), at the applicants’ own risk, within 24 hours after the balloting of applications in accordance with the Instructions.

In respect of partially successful applications, any balance of the application monies is expected to be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicants, by ordinary post (in the case of applications made using printed Application Forms) or through the crediting of the relevant amount to the applicants’ accounts with their respective Participating Banks (in the case of Electronic Applications) at their own risk within fourteen (14) Market Days after the close of the Public Offer, provided that the remittance in respect

of such applications which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account.

Applicants may call The Central Depository (Pte) Limited (“CDP”) at 6535 7511 using their T-PIN and keying in the stock code: 7819 for enquiries on the status of their applications. To sign up for the service, applicants may contact CDP’s customer service officers for an application form.

The Board of Directors of Chemoil and the Selling Shareholder wish to thank all applicants who have applied for the Offering Shares, the relevant authorities and all who have helped in one way or another in Chemoil’s initial public offering, for their support and assistance.

Issued jointly by

J.P. Morgan (S.E.A.) Limited

UBS AG, acting through its business group, UBS Investment Bank

For and on behalf of

Chemoil Energy Limited and Itochu Corporation

13 December 2006

This announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States unless they are registered or are exempt from registration. Chemoil and the Selling Shareholder do not intend to register any portion of this offering in the United States or to conduct a public offering in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from Chemoil or the Selling Shareholder that will contain detailed information about Chemoil and its management, as well as financial statements in compliance with all relevant laws. Copies of this announcement are not being, and should not be, distributed in or sent into the United States. It may be unlawful to distribute these materials in certain jurisdictions. These materials are not for distribution, directly or indirectly, into the United States, Canada or Japan. These materials are not an offer for sale of the securities of Chemoil Energy Limited in the United States, Canada or Japan. The information in these materials does not constitute an offer of securities for sale in these jurisdictions. Failure to observe the above limitation may constitute a violation of securities laws in the United States and in other jurisdictions.