

CHEMOIL ENERGY LIMITED
(Incorporated in Hong Kong on 9 October 1987)
(Company Registration No. 200591)

ACQUISITION OF 49% OF THE ISSUED AND PAID-UP CAPITAL OF BURANDO HOLDING B.V.

1. INTRODUCTION

The Board of Directors of Chemoil Energy Limited ("**Chemoil**" or the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has, through its wholly owned subsidiary, Chemoil Europe B.V. (the "**Purchaser**"), entered into a stock purchase agreement (the "**Agreement**") with the persons set out in Appendix I (collectively the "**Vendors**") to acquire 49% of the issued and paid-up share capital (the "**Shares**") of Burando Holding B.V. ("**Burando**"), a Dutch limited liability company (the "**Acquisition**").

This announcement is made pursuant to Rule 1010 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Acquisition is a discloseable transaction under Chapter 10 of the Listing Manual of the SGX-ST

2. PURCHASE CONSIDERATION

The purchase consideration for the Shares, which was arrived at on a willing-buyer and willing-seller basis after taking into account the net tangible asset value of Burando, has been agreed by the parties to be EUR12,000,000 (the "**Purchase Consideration**"). The Purchase Consideration will be satisfied in cash and funded by internal resources.

3. INFORMATION ON THE BURANDO GROUP

Burando and its operating subsidiaries (the "**Burando Group**") together comprise one of the leading logistical maritime service providers in the Antwerp-Rotterdam-Amsterdam ("**ARA**") region. Included within the Burando Group is FTS/Hofftrans BV, one of the largest marine fuel barging companies in the ARA region, and a terminaling company that holds a 50% interest in a 70,000 cubic meter tank facility, known as Service Terminal Rotterdam.

The book value and the net tangible assets value of Burando, based on the unaudited financial statements of Burando for the financial period ended 30th June 2007, are EUR11,553,174 and EUR11,475,874 respectively.

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

4. MATERIAL CONDITIONS

As a condition of the Acquisition, a shareholder agreement on terms and conditions acceptable to the Purchaser and the Vendors, being the shareholder(s) of Burando remaining after the Acquisition, shall be entered into by the said parties. In addition, management contracts, shall be entered into with Burando's current managing directors to ensure continuity of management for the Burando Group.

The completion of the Acquisition occurred on 29 October 2007.

5. RATIONALE FOR THE ACQUISITION

Chemoil has chartered barges from FTS/Hofftrans BV for a number of years. The investment in Burando will significantly strengthen Chemoil's foothold within barging and terminal operations in Europe, develop Chemoil's asset infrastructure and enhance efficiencies for the benefit of both customers and shareholders. This aligns with Chemoil's global expansion strategy, which is focused on increasing its presence throughout key stages of the marine fuel supply chain.

6. FINANCIAL EFFECTS

The financial effects of the Acquisition on the Group are set forth below and were prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2006 ("**FY2006**") subject to the following main assumptions:

- (a) For the purpose of computing the effect of the Acquisition on the earnings per share ("**EPS**") of the Group for FY2006, it is assumed that the Acquisition was effected on 1 January 2006 [and the Group's share of the earnings of the Burando Group for the 12 months ended 31st December 2006 is considered for this purpose.
- (b) For the purpose of calculating the effect of the Acquisition on the net tangible assets ("**NTA**") per share of the Group for FY2006, it is assumed that the Acquisition was completed on 31 December 2006. The Group's share of the NTA of the Burando Group as on 30th June 2007 is considered for this purpose.

It should be noted that such financial effects are for illustration purposes only and may not correspond to the actual financial situation of the Group after completion of the Acquisition.

(i) EPS

	Before the Acquisition	After completion of the Acquisition
Net Profit After Tax – (US\$'000)	57,844	59,246
EPS– (US cent) (Basic)	5.22	5.35
EPS – (US cent) (Diluted)	5.19	5.32

(ii) NTA

	Before the Acquisition	After completion of the Acquisition
NTA – (US\$'000)	234,690	226,097
NTA Per Share – (US cent)	18.16	17.49

7. SERVICE CONTRACTS

As at the date of this announcement, there are no directors who are proposed to be appointed to the Company in connection with the Acquisition.

8. RELATIVE FIGURES

The relative figures that were computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST, based on the latest announced unaudited consolidated financial statements of the Group for the second quarter/half year ended 30 June 2007 are as follows:

Rule 1006 (a)	N.A.
Rule 1006 (b)	The net profit attributable to the assets to be acquired is US\$1,201,301 ⁽¹⁾ , compared with the Group's net profit of US\$18,469,335.
Rule 1006 (c)	The total Purchase Consideration of EUR12,000,000 amounts to 2.54% ⁽²⁾ of the Company's market capitalisation of US\$681,723,569 on 29 October 2007 being the market day preceding the date of the Agreement.
Rule 1006 (d)	N.A.

Note:

- (1) This calculation is based on the average exchange rate of EUR 1 = US\$ 1.32948 for the six months ending 30th June 2007
- (2) This calculation is based on the volume weighted average exchange rate of EUR 1 = US\$ 1.4415 as at 29 October 2007.

9. DOCUMENT FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong for a period of 3 months from the date of this announcement.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

By Order of the Board

Robert Viswanathan Chandran
Executive Chairman and Chief Executive Officer
30 October 2007

Appendix I

Name of Vendors	Vendors' shareholding in Burando	
	Number of Sale Shares	%
Justus Beheer B.V.	65.33	33.33
Consort Beheer B.V.	65.33	33.33
Braams Beheer Krimpen B.V.	65.33	33.33
Total	196	100