

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

PROPOSED ACQUISITIONS OF SIX CORPORATIONS FROM ANDORRA SERVICES LIMITED

The Board of Directors of Chemoil Energy Limited (the "Company" or "CEL") wishes to announce that it proposes to acquire the following six corporations, all from Andorra Services Limited ("**Andorra**"), a company incorporated in Hong Kong and wholly-owned by Mr. Robert V. Chandran, the Executive Chairman and Chief Executive Officer of the Company (the "**Acquisitions**"):-

- i. Helios Terminal Corporation Pte Ltd ("**Helios**");
- ii. Link Marine Pte Ltd ("**Link**") (with a 100 percent subsidiary Link India Marine Pvt Ltd);
- iii. Olympic Shipping Pte Ltd ("**Olympic**");
- iv. Pebble Beach Shipping Company Ltd ("**Pebble**");
- v. Pine Valley Inc. ("**Pine**"); and
- vi. Cypress Point Inc. ("**Cypress**").

The Acquisitions are subject to the finalisation and execution of sale and purchase agreements for the Acquisitions of the stakes in the six corporations, to be entered into between Chemoil Logistics Inc, a wholly-owned subsidiary of the Company, and Andorra Services Limited, and conditional upon the approval of shareholders of the Company at an Extraordinary General Meeting ("EGM"). The date for the EGM will be announced later. As the Acquisitions fall within the definition of Interested Person Transactions under the SGX-ST Listing Manual, appointment of an independent financial adviser is required. In relation to this, KPMG Corporate Finance Pte Ltd has been appointed as the independent financial adviser in connection with the Acquisitions.

Consequent upon the Acquisitions, Helios, Link, Olympic, Pebble, Pine and Cypress will each be wholly-owned subsidiaries of Chemoil Logistics Inc.

Helios is in the process of building an oil storage terminal at the Jurong Island in Singapore. The completion date for the 16.97 ha oil storage terminal is expected to be in early 2008. When completed, the oil storage terminal will have a total storage capacity of 448,000 cubic metres with 18 storage tanks.

Olympic is the owner of a panamax oil tanker. Pine and Cypress are each the owner of a 7,000 DWT oil tanker (both currently under construction with anticipated delivery in September 2007 and December 2007 respectively). Pebble is the owner of a bulk carrier. Link is a ship management company.

Mr. Robert V. Chandran is the owner of Andorra, accordingly, his wife, Ms. Vivian Pearl Johnston Chandran and his daughter, Ms. Sharon Stacey Johnston Chandran, both of whom are also Directors of the Company, together with their associates are deemed to have interest in the

Acquisitions and they and their associates have undertaken to abstain from voting on the resolution approving the Acquisitions at the EGM to be convened.

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above-mentioned Acquisitions.

The Acquisitions are expected to have a positive impact on the earnings per share of the Company and its subsidiaries for the financial year ending 31 December 2007.

Further information on the proposed acquisitions will be announced at a later date, as and when the information becomes available.

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

By Order of the Board

Robert Viswanathan Chandran
Executive Chairman and Chief Executive Officer
14 February 2007