

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

**JOINT VENTURE WITH INTERNATIONAL MANAGEMENT HOLDINGS,
LTD**

The Board of Directors of Chemoil Energy Limited (the "Company" or "CEL") wishes to announce that it has entered into a 50-50 joint venture partnership with International Management Holdings, Ltd, a company incorporated in the British Virgin Islands with an established barging operation in Panama, to establish Belgrave Investors, Corp, ("Belgrave"), a company incorporated in the British Virgin Islands.

Belgrave will be the holding company for Pacifico Bunkering Services, S.A. ("Pacifico") which owns and operates the bunker delivery barge, MT Pacifico Trader in Panama and will hold 100 percent of the shares of Pacifico.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Joint Venture Partnership or in Belgrave.

The proposed joint venture is expected to have no material impact on the earnings per share and the net tangible asset per share of the Company and its subsidiaries for the financial year ended 31 December 2006.

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
Date: 22 February 2007