



Chemoil Energy Limited
Level 28 Three Pacific Place
1 Queen's Road East
Hong Kong

T +852 2980 1884
F +852 2980 9262
www.chemoil.com

For Immediate Release

CHEMOIL ENERGY LIMITED PROCEEDS WITH LAUNCH OF PUBLIC OFFER OF IPO

Singapore, 29 November 2006 – Chemoil Energy Limited (“Chemoil” or the “Company”), one of the largest and leading integrated physical supplier of marine fuel products globally, has announced the offering price (“Offering Price”) of US\$0.45 per Offering Share (as defined below) (payable in Singapore dollars for the Public Offer (as defined below) at S\$0.70 per Offering Share based on the fixed exchange rate of US\$1.00:S\$1.5598) for its initial public offer (the “Offering”). The Offering Price was determined following a bookbuilding process by agreement between the Company, Itochu Corporation, J.P. Morgan (S.E.A.) Limited (“JPMorgan”) and UBS AG, acting through its business group, UBS Investment Bank (“UBS”) and was announced earlier today through a SGXNET announcement posted on the Internet at the SGX-ST website <http://www.sgx.com>. Notice of the Offering Price will also be published in one or more major Singapore newspapers, such as The Straits Times, The Business Times and Lianhe Zaobao, on 30 November 2006.

The Offering comprises 224,803,000 shares (“Offering Shares”) subject to the over-allotment option of 33,720,000 Shares (the “Over-allotment Option”) granted by Chemoil to JPMorgan and UBS. The Offering Shares comprise 160,172,000 Offering Shares being offered by the Company and 64,631,000 existing shares being offered by Itochu Corporation for purchase, through:

- (a) an international placement of 218,059,000 Offering Shares to investors, including institutional and other investors in Singapore (the “Placement”); and
- (b) an offering of 6,744,000 Offering Shares to the public in Singapore (the “Public Offer”).

Investors applying for the Placement are required to pay the Offering Price of US\$0.45 per Offering Share in US dollars while investors applying for the Public Offer are required to pay the Offering Price of S\$0.70 per Offering Share in Singapore dollars.

The Offering is expected to raise up to approximately US\$81 million in net proceeds (assuming the Over-allotment Option is exercised in full) for the Company.

JPMorgan and UBS are the Joint Bookrunners, Issue Managers and Underwriters for the Offering.

Commenting on the reduced offering size and the price range, Mr Robert Viswanathan Chandran, Executive Chairman and Chief Executive Officer, said, "We believe that the Chemoil IPO offers potential investors an attractive investment proposition. We have committed significant resources in terms of the time and effort invested by everyone in Chemoil to prepare for the IPO. We are encouraged by the investor interest we have received, and hence after due consideration and dialogue sessions with our stakeholders, we have decided to proceed with the IPO.

We hope that given time and through sustained investor relations efforts, the investing community will develop a better understanding of Chemoil and our fuel distribution business, which is analogous to acting as "gas stations" for ships. We believe that eventually the valuation of the Company will reflect the true value of Chemoil. We would like to thank the Monetary Authority of Singapore, the SGX-ST, and the investing community for their support, making it possible for Chemoil to re-launch our IPO."

On the impact of the reduced offering on Chemoil's future plans, Mr Chandran said, "We intend to continue with our plans to expand into new markets and continue marketing to global multi-national shipping companies as they expand into new markets. We also plan to continue to improve our supply chain efficiencies and focus on the acquisition of strategic assets, to provide cost advantages to achieve greater operating efficiency. The capital raised will be sufficient to meet Chemoil's near-term strategic needs. We may also use cash from operations and incur additional debt or equity financing to meet any additional requirements."

Chemoil is one of the largest independent physical suppliers of marine fuel in the world today, selling 13.3 million metric tons of fuel for the year ended 31 December 2005. By integrating all elements of the marine fuel supply chain, the Company is able to provide its customers with global single supplier convenience, competitive pricing, the availability of trade credit, access to specialised products, customised term contracts and fully integrated marine fuel delivery services. In 2004, Chemoil expanded its business to include the trading, marketing and sale of jet fuel, gasoline and diesel fuel in the United States and South America through its associated company, IPC (USA), Inc.

Further Information

The Public Offer in Singapore will open from 9:00 a.m. on 29 November 2006. Applications for the Public Offer by way of Automatic Teller Machines (ATMs) belonging to participating banks or by way of Internet Banking websites of the relevant participating banks will open at 9:00 a.m. on 30 November 2006. The Public Offer will close at 2:00 p.m. on 12 December 2006. The Shares will be traded in US\$ in board lots of 1,000 Shares each and are expected to commence trading on the SGX-ST on a "ready" basis at 9:00 a.m. on 14 December 2006.

A printed copy of the replacement prospectus dated 24 November 2006 lodged with the Monetary Authority of Singapore (the "Prospectus"), the Instructions Booklet "Terms, Conditions and Procedures for Application for the Offering Shares in Singapore" and printed application forms and envelopes may be obtained upon request, subject to availability, from the offices of UOB Asia Limited at 1 Raffles Place, #13-01, OUB Centre, Singapore 048616 and from members of the Association of Banks in Singapore, members of the Singapore Exchange Securities Trading Limited and merchant banks in Singapore during normal office hours.

Anyone wishing to acquire the Offering Shares will need to make an application in the manner set out in the Prospectus. Full details of the application procedures are set out in the Prospectus.

- End -

About Chemoil Energy Limited

Chemoil Energy Limited ("Chemoil" or the "Company") is one of the largest and leading integrated physical suppliers of marine fuel products globally. Chemoil purchases fuel oil, diesel oil and blend components from national oil companies, refineries, major oil producers and other sources. The Company transports, stores and blends marine fuel, which it sells and delivers to a broad base of customers. These customers include a diverse group of ocean-going ship operators, international container and tanker fleets, time charter operators, marine fuel traders and other customers. Chemoil participates in all key stages of the marine fuel supply chain, enabling it to capture margins at every stage.

Chemoil acts as "gas stations" for ships and provide fuelling services to its customers through service centres that it operates in many ports around the world. The Company provides its customers with global single supplier convenience, competitive pricing, the availability of trade credit, access to specialised products, customised term contracts and fully integrated marine fuel delivery services.

Chemoil has physical operations in many ports around the world, including Los Angeles, New York, Houston, Singapore, Panama and the Amsterdam-Rotterdam-Antwerp (ARA) region. In all of these ports, it owns or leases terminal capacity for the storage and blending of fuels and barging facilities for the delivery of marine fuel to our customers, which allows for the full integration of marine fuel delivery in each of the markets that it serves. The Company maintains sales offices in San Francisco, Rotterdam, Monaco and Singapore.

Through its associated company, IPC (USA), Inc., or IPC, Chemoil markets jet fuel to U.S. and international commercial airlines in the United States and markets and sells unbranded gasoline and diesel fuel to independent retail stations and other customers, including delivery services and other industrial users.

Issued for and on behalf of Chemoil Energy Limited

Media Contact

Weber Shandwick Worldwide

Gerry Wong

Tel: +65 6825 8069, Mobile: +65 9247 4963, Email: gerry.wong@webershandwick.com

Ng Chip Keng

Tel: +65 6825 8084, Mobile: +65 9623 2166, Email: ckng@webershandwick.com

This press release is not an offer of securities for sale in the United States or Singapore. Securities may not be offered or sold in the United States unless they are registered or exempt from registration. The Company does 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 the Company or selling shareholder and that will contain detailed information about the issuer and management, as well as financial statements. Copies of this press release 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 in Canada, Japan or Australia. The information in these materials does not constitute an offer of securities for sale in Canada, Japan or Australia.