

Press Release

For Immediate Release

CHEMOIL ACQUIRES OCEANCONNECT'S MARINE FUEL GROUP

Tom Reilly Appointed as Chemoil's new Chief Executive Officer
Mike Bandy Remains as Chairman & Non-Independent Director

Singapore, January 3, 2011 – SGX Mainboard-listed Chemoil (SGX-ST: CHEL.SI), one of the world's leading suppliers of marine fuel, today announced its acquisition of OceanConnect Holding's (OCH), marine fuel business. The purchase price as agreed by both parties is expected to be approximately US\$25 million and took into account factors such as the marine fuel business' historical and future earnings potential.

The deal includes the acquisition of OCH's marine fuel business, its independent online bunker auction portal, and a team of experienced bunker brokering and trading employees and staff in the United States, United Kingdom, United Arab Emirates, South Korea, Japan and Denmark. The newly acquired business will leverage OceanConnect's brand equity and continue to operate using the name OceanConnect Marine (OCM):



Simultaneously, OCH's former Chief Executive Officer, Mr Tom Reilly, has also been appointed as Chemoil's new CEO and Director as of January 3, 2011. Mr Mike Bandy, who held the dual role of Chairman and CEO in Chemoil, will remain as Chairman and Non-Independent Director to ensure a smooth leadership transition.

Mr Bandy commented: “The addition of OCM is accretive, and certainly complements our stable of businesses, which include GPSChemoil, ChemoilAdani, Burando, Galaxy and IPC (USA). It would increase Chemoil’s annual sales volumes by 8 to 9 million metric tons, substantially expand our presence in several key markets and strengthen our competitive advantage in providing speedy, cost-effective and highly reliable fuel supplies to shipping operators worldwide.”

The appointment of Mr Reilly as the new CEO is in line with the company’s succession plans to put in place a strong leadership team to see Chemoil through a new era of growth. It will also see a separation of the roles between Chairman and CEO, and hence enhance the company’s Corporate Governance Code compliance.

Mr Bandy added: “I am pleased that our search for the next CEO has come to a successful close. Tom brings deep industry experience that will strengthen our bunker trading, risk product and brokering service teams. Chemoil’s Board and senior management are looking forward to working with him on our continual efforts to increase business, improve profitability and create greater shareholder value.”

Prior to his role as CEO of OCH, Mr Reilly was Vice President for Fuel and Marine Marketing LLC, a Texaco and Chevron joint venture, and was responsible for bunkering and fuel trading in the Pacific Rim and the Middle East regions.

Chemoil’s newly appointed CEO, Mr Reilly concluded: “It is a privilege to be part of the Chemoil team. The OCM acquisition reflects what Chemoil has done well in the past in terms of forming strategic alliances and focusing on the 3 growth dimensions – markets, products and its logistics assets. Together with the Chemoil Board and the management team, we will steer the company through the current challenging low-margin market conditions, towards being a premier and sustainable market leader of tomorrow.”

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About Chemoil

As one of the marine fuel industry's leading suppliers, Chemoil delivers energy through controlling all key stages of the marine fuel supply chain, providing exceptional value to its customers and maximizing profitability by converting expenses to assets - acquiring, developing and controlling physical infrastructure within the supply chain. It has integrated operations in Los Angeles, New York, Houston, Singapore, Panama, United Arab Emirates, India and the Amsterdam-Rotterdam-Antwerp (ARA) region. Its affiliated companies include IPC (USA), Galaxy, Burando, GPSChemoil, ChemoilAdani and OceanConnect Marine. Established in 1981, Chemoil continually challenges industry practices and provides leadership through its progressive and innovative approach to delivering energy. It has been at the forefront of supplying cleaner fuels to meet customer demands in light of changing legislation to protect the environment. Chemoil was listed on the Main Board of Singapore Exchange Securities Trading Limited (SGX-ST) on December 14, 2006. In 2009, the company delivered over 15 million tons of fuel. More information on Chemoil is available at www.chemoil.com.

Forward Looking Statements

This press release may contain forward looking statements relating to Chemoil's performance that are based on management's current expectations, estimates and projections about the oil, chemicals and other energy-related industries. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties, assumptions and other factors, some of which are beyond Chemoil's control and are difficult to predict. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Chemoil undertakes no obligation to update publicly any forward looking statements, whether as a result of new information, future events or otherwise. Representative examples of other factors that may impact the forward looking statements include (without limitation) general industry, international economic and political conditions, crude oil prices, refining margins, competition from other companies, the competitiveness of alternate energy sources or product substitutes, shifts in customer demands, customers and partners, changes in operating expenses, including all other unpredictable or unknown factors not discussed in this press release, which could also have material adverse effects on forward looking statements contained in this release as well as other statements made by Chemoil.

For all enquiries, please contact:

Global Energy / Shipping Media Relations

Blue Communications

Andrew Nicholls

Tel: +65 6327 1284

M: +65 9088 4786

Email: andrew.nicholls@blue-comms.com

Global Financial / Business Media Relations

Huntington Communications

Lena Soh-Ng

Tel: +65 6339 2883

M: +65 9681 7806

lenasoh.ng@huntington.com.sg

Ida Lim

Tel: +65 6339 2883

M: +65 9106 3782

ida.lim@huntington.com.sg