

## Press Release

For Immediate Release

### CHEMOIL REPORTS 4Q2010 PRE-TAX PROFITS BUT TAKES A NET LOSS DUE TO WRITE-OFFS

	4Q Oct-Dec 2010	4Q Oct-Dec 2009	% Increase / (Decrease)	Full Year Jan-Dec 2010	Full Year Jan-Dec 2009	% Increase / (Decrease)
Revenue – US\$ million	1,991.4	1,839.8	8	7,295.5	5,750.2	27
Sales Volume – MTs million	4.1	4.0	3	15.6	15.1	3
Retail Sales Volume – MTs million	2.3	2.3	-	9.4	8.9	6
Profit / (Loss) before tax – US\$ million	3.7	13.5	(73)	(11.8)	26.8	N/M
Profit / (Loss) attributable to equity holders – US\$ million	(1.8)	2.9	N/M	(9.5)	11.5	N/M
Gross Contribution per MT – US\$	6.7	6.3	6	4.8	6.8	(29)

**Singapore, February 11, 2011** – SGX mainboard-listed Chemoil (SGX-ST: CHEL.SI), one of the world's leading suppliers of marine fuel, today announced that it generated a profit before tax of US\$ 3.7 million for the fourth quarter of 2010 (4Q2010). One-time write-offs, including US\$ 5.1 million for deferred tax assets of a subsidiary, resulted in a net loss attributable to equity holders of US\$ 1.8 million for 4Q2010. The net loss attributable to equity holders of the Group for the full year 2010 (FY2010) was US\$ 9.5 million, due mainly to the losses incurred in the first quarter of 2010 and the slow pace of margin recovery throughout the year.

The 4Q2010 result was the strongest operating performance by the Group in 2010 with its gross contribution per metric ton (GCMT) reaching US\$ 6.70 per metric ton, contributing to the profit before tax for the quarter. Chemoil's 4Q2010 sales volumes were 4.1 million metric tons, up 3% from 4Q2009, while full year sales volumes likewise rose by 3% to 15.6 million metric tons for FY2010.

Chemoil's Executive Chairman, Mr Mike Bandy, commented: "In the fourth quarter of 2010, we produced our best quarterly operating results for the year as the fruits of our operational improvements and cost

cutting efforts began to take shape. However, we also decided to take conservative actions by making one-time write-offs which will better position the Chemoil Group going forward financially as the marine fuel margins begin to recover. The largest of the write offs is a US\$ 5.1 million deferred tax asset of a subsidiary. In addition, there were other provisions taken for certain bad debts in one of our non-core subsidiaries.”

Sales volume growth to the shipping segment continued to show strong performance in FY2010 as retail sales grew 6% and ex-wharf sales, which are ultimately sold to the shipping market, grew 60%. However, our business continued to be exposed to weak wholesale-retail margin spreads, although signs of improvement have been showing during the latter part of 2010 as reflected in our 4Q2010 results.

Chemoil’s Chief Financial Officer, Mr Jerome Lorenzo, said: “We have continued to improve our operational efficiency through a rationalization of our operating assets resulting in better utilization rates in certain ports. These can be seen for example in the reduction in our barging and pipeline costs in 4Q2010, as well as in other expenses, after eliminating the one-time write-offs.”

Mr Bandy concluded: "Since the time the Group’s performance was impacted by weak margins in 3Q2009 and 1Q2010, we have made significant improvements in our core operations. We have also taken a careful look at our assets and decided to take prudent measures to strengthen our financial condition going forward. These positive developments form the backdrop in which I pass the leadership baton to Chemoil’s new CEO, Mr Tom Reilly. While continuing to implement operational changes and refine the Group’s cost cutting measures, Mr Reilly will undoubtedly be able to focus on growing the Chemoil global franchise, such as the recent acquisition of OceanConnect Marine. The Group can also focus on realizing profit generating opportunities in a margin environment that is now showing some signs of improvement.”

**END**

**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, GPSCemoil, 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](http://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.

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