



MEDIA RELEASE

China Aviation Oil To Return To Principal Basis For Jet Fuel Procurement Business

(Singapore, 25 May 2006) China Aviation Oil (Singapore) Corporation Ltd (“CAO” or “the Company”) announced that it will conduct future aviation-oil tenders on a principal basis. This resumption of the Company’s traditional procurement process is a key step by the Company in its effort to honour its commitment to recover and improve shareholder value, as well a key milestone in CAO’s rehabilitation process.

Beginning in December 2004, and throughout the Company’s subsequent restructuring period, it conducted jet-fuel procurement activities on an agency basis through its subsidiary, China Aviation Oil Trading (“CAOT”).

CAO’s board and management have sought to ultimately re-establish its traditional business model for jet-fuel procurement. Following extensive effort by all relevant parties, having access to sufficient bank facilities, and having received the approval of its newly established Board and Risk Management Committee, the Company believes that the time is right for such a change.

CAO’s Chairman, Mr Lim Jit Poh, said: *“All of CAO’s partners and stakeholders have been helpful in joining us in our efforts to rebuild the company. We are especially grateful for their commitment in bringing us to this stage, wherein we at long last normalize our core business, aviation-oil procurement on a principal basis.”*

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