



China Aviation Oil (Singapore) Corporation Ltd  
中国航油（新加坡）股份有限公司

## **China Aviation Oil (SINGAPORE) Corporation Limited (CAO) Signs Memorandum Of Understanding To Acquire Stake In Compania Logistica De Hidrocarburos, S.A**

09/05/02

Further to CAO's announcement on 30 April 2002, the Management of CAO is pleased to announce that CAO has signed a Memorandum of Understanding (the "MOU") with Repsol YPF, S.A., Petroleos Del Norte, S.A., Compania Espanola de Petroleos, S.A. and BP Oil Espana, S.A. (collectively, the Vendors) for the sale and purchase of 5% of the issued and paid up capital of Compania Logistica de Hidrocarburos, S.A. ("CLH") by CAO from the Vendors (the "Proposed Acquisition").

The Vendors have also granted to CAO a call option in respect of an additional 5% of the issued and paid up capital of CLH to be executed before 31 July 2002.

The MOU confirms the interests of all parties in pursuing the sale and purchase of the shares and CAO will now proceed to conduct its legal and financial due diligence review on CLH. CAO will proceed to negotiate the terms and conditions of the Proposed Acquisition and the conditions shall include, *inter alia*:

- ? the negotiation and execution of definitive documents relating to the Proposed Acquisition by CAO;
- ? the approval of the shareholders of CAO for the Proposed Acquisition, if required; and
- ? the receipt of all approvals and consents as are necessary or required by CAO and CLH for or in respect of the Proposed Acquisition.

The Management will make further announcements on the Proposed Acquisition as appropriate.

Mr Chen Jiulin  
Managing Director  
China Aviation Oil (Singapore) Corporation Limited

### **About CAO:**

CAO was incorporated in Singapore in 1993, and listed on the Singapore Exchange (SGX) in December 2001. Today, CAO supplies nearly 100% imported Jet Fuel to China civil aviation industry, which amounted to about 1.65 million Metric Tons during 2001. In addition to jet fuel procurement, CAO also trades petroleum products including jet fuel, gasoil, fuel oil, crude oil, plastics and oil derivatives. These trading operations are primarily located in Singapore.

### **About CLH:**

We have been informed that CLH is a Spanish oil logistics and facilities company. Its principle business is the storage, transport and distribution of oil products. These products include gasoline, gas oil, jet fuel, fuel in the ground, aviation and maritime fuels. CLH is the leading oil carrier in Spain and owns the largest network of oil pipelines and storage facilities in the country. As at the end of 2000, CLH had over 83% market share in gasoline and gas oil distribution and 100% market share in jet fuel distribution in Spain.