



**CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD**

("Company")

*(Incorporated in the Republic of Singapore)*

*Company Registration Number: 199303293Z*

**PRESS RELEASE**

**CAO HOLDS ITS FIRST MEETING OF THE NEW BOARD OF DIRECTORS**

The Company announced the completion of its Restructuring Plan on 28 March 2006 which included the appointment of the new Board of Directors being effective.

The Board of Directors has met for the first time and this press release records the opening remarks of the new Chairman of the Board, Mr Lim Jit Poh. The matters approved by the Board are disclosed in separate announcements made by CAO today.

“Dear fellow directors,

Good morning. This is the first time that we are meeting as a group. Unfortunately Ian Springett is not able to join us from London as he has an important engagement which he cannot reschedule. He has very kindly given his views on the various board papers submitted to him earlier.

Let me for the record and on behalf of the new board thank the past board of directors for doing an excellent job of putting the company back in business in such a short time. This really speaks well of the previous Board as well as of its controlling shareholder.

We are also very grateful to the Special Task Force for doing such a wonderful and marvellous job under very trying and uncertain circumstances. The board would like to record its appreciation to the Team for the fine work that it has done and in particular we would like to record our gratitude to Mdm Gu Yanfei for shouldering this extremely heavy responsibility during this critical period.

Some of us are new to the Singapore public listed companies' environment. Some of us are new to the style business is done in the PRC. Our CAO operations happen to criss-cross between these two countries. It is therefore our responsibility and duty to ensure that we do our best to meet all the regulations and observe and respect the customs. I am confident that as a group we shall not fail to perform these tasks to the satisfaction of our shareholders, the authorities and our staff. They have placed the trust and confidence in us. We cannot fail them.

I took the initiative to meet with all the new directors whom I have not met before with the exception of Ian Springett who lives very far away from our region. After these sessions I feel very comfortable to work with all of you. I have also met with some of the company's senior staff prior to my appointment. Of course I have had the good fortune of working with our two groups of advisors, Deloitte and Rajah and Tann in the course of my work in the CGAC. I am glad that the former board has retained their services for continuity.

We are in a very unique situation, in terms of shareholders structure, board composition and operating environment. These call for special qualities from all of us to work together as a group.

In the papers submitted for the first meeting you will note this company for a start shall be managed by board committees. This is unique. During this critical period of nurturing the new life of CAO we have to work hard and smart. That is our challenge.

Shareholders, the investing public and the authorities are watching us very closely. In this respect shareholders shall behave as shareholders. Their power lies in general meetings and not in managing the affairs of the company which are vested in the board of directors. Investing public should behave like investors. They shall buy our shares or disregard us totally. The authorities shall respect us as we carry out our activities. They will not hesitate to take action should we fail to observe or violate the regulations. Of course the press and the media are following us very closely too reporting on things that we do or we do not do. We shall engage them to the best of our ability fairly, promptly and honestly.”

Mr Lim Jit Poh, Chairman

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