China Aviation Oil (Singapore) Corporation Ltd
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MEDIA RELEASE

CAO records net profit of US$10.5 million in 3Q 2007

SINGAPORE, 5 November 2007 – China Aviation Oil (Singapore) Corporation Ltd ("CAO") today announced its results for the third quarter ended 30 September 2007.

The Group recorded a net profit attributable to shareholders ("net profit") of US$10.5 million in 3Q 2007, compared to US$7.6 million for the same period last year, representing an increase of 39%. The increase in net profit was mainly attributable to a substantial increase in interest income and a significant reduction in finance costs.

In 3Q 2007, CAO procured and supplied 1.07 million Metric Tonnes ("MT") of jet fuel which was a decrease of about 17% as compared to 3Q 2006 where 1.29 million MT of jet fuel was procured and supplied. The total volume of jet fuel procured and supplied during the first three quarters of 2007 was 2.90 million MT, a reduction of 13% compared to the corresponding period last year.

Mr Zhang Zhenqi, Executive Director and General Manager of CAO, said, "The decline in total volume of jet fuel procured and supplied for the first three quarters was due to a decrease in demand for jet fuel imports in China corresponding to an increase in China's domestic production of jet fuel.

"Going forward, jet fuel demand in China is expected to grow with increased air travel. However, the import level is linked to domestic production," said Mr Zhang.

The Group's revenue for 3Q 2007 was US$747.4 million as compared to US$925.2 million for the same period last year, representing a decrease of 19%. This reflects the drop in total volume of jet fuel procured and supplied during the quarter.

Despite lower procurement volumes in 3Q 2007, gross profit during this period was 5% higher at US$3.5 million. Gross profit in 3Q 2006 was lower due to a downward adjustment of the fixed margin per barrel for supplies to a major customer in 2Q 2006 being recorded in 3Q 2006. The purpose of the adjustment was to bring the pricing in line with other key customers.

Interest income was 71% higher at US$2.5 million in 3Q 2007. This was due to higher bank balances mainly from the proceeds of the sale of CAO's stake in Compania Logistica de Hidrocarburos, S.A. ("CLH") in 1H 2007.

Finance costs declined 95% to US$0.1 million as a result of substantial interest savings for CAO from the accelerated full repayment of debts under the Creditors' Scheme, which was announced on 17 May 2007. The accelerated payment was financed by part of the proceeds from the sale of CLH stake. The significant decline in finance costs contributed to a decline of 42% in the Group's total expenses in 3Q 2007.

The Group's 33% share of the results of its associated company, Shanghai Pudong International Aviation Fuel Supply Company Ltd ("SPIA") was US$7.5 million for 3Q 2007 compared to US$7.1 million for 3Q 2006, an increase of 6%. This was mainly attributable to the short-term rise in China's domestic supply of jet fuel, which has helped to lower SPIA's average cost of sales and thus resulted in an improvement in its gross profit.

The Group's financial position has continued to improve during the quarter. Net tangible assets ("NTA") per share as at 30 September 2007 stood at US$0.3581, an increase of 5% over US$0.3412 as at 30 June 2007. Cash and cash equivalents increased 14% over the quarter to US$187 million as at 30 September 2007.

About CAO

Listed on the mainboard of the Singapore Exchange Securities Trading Limited, CAO is the key supplier of imported jet fuel to the Chinese civil aviation industry. CAO also owns investments in strategic oil-related businesses, which includes Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd and China Aviation Oil Xinyuan Petrochemicals Co. Ltd.

Besides trading in related oil products, CAO will also continue to seek investment opportunities in assets that are synergetic to its core businesses. CAO aims to become an internationally competitive energy company, optimised by synergetic energy trading and asset investments.

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