



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
("Company")

(Incorporated in the Republic of Singapore)
Company Registration Number: 199303293Z

Singapore, October 26, 2006 – Pursuant to the Scheme of Arrangement dated 24 May 2005 between the Company and its creditors (the "Creditors' Scheme") and the Creditors Share Invitation, the Company has a balance Deferred Debt obligation of USD132.6 million to the Scheme creditors which is to be repaid over a period of five years, with the first installment of USD62.17 million being due and payable on 28 March 2007. The Company has previously announced on 12 May 2005 that the Deferred Debt would be repaid from sources including the cash flows from its operations, dividends from the Company's investments, the sale of the investment in Compania Logistica De Hidrocarburos SA ("CLH") and a refinancing exercise.

The Company wishes to announce that it has commenced a process to consider the sale of its 5% interest in CLH and has appointed Deloitte & Touche Corporate Finance as financial adviser in this regard.

The sale of the investment in CLH is subject to the approval of the Board of the Company and its shareholders.

By Order of the Board

Adrian Chang
Company Secretary