China Aviation Oil Jet Fuel Tenders Upgraded 12-20% for Fourth Quarter 2003

- **Third Shanghai cargoes added for November and December**
- **Full-year volumes to at least match FY2002 levels**
- **A sign China's aviation sector has rebounded and is back on track for robust growth**

SINGAPORE, 25 August 2003 – SGX Main Board-listed China Aviation Oil (Singapore) Corporation Ltd ("CAO") today announced its tender schedule for jet fuel procurement for the October-December quarter of 2003 ("4Q2003"). The volumes mark a significant upgrade from estimates of both third- and fourth- quarter levels and signal a return to pre-SARS growth in China's jet fuel and aviation sectors. Volumes are likely to reach an all-time quarterly high for CAO in 4Q2003.

According to the tender document released by CAO today, some 14 cargoes (shipments) of 28,000-30,000 metric tonnes ("MT") apiece will be required during the quarter. Of these, two cargoes a month will go to Tianjin for a total of six for the quarter. Two cargoes will go to Shanghai in October, while three each will be shipped for November and December, for a total of eight. Additionally, some 10,000 MT per month will be shipped to Huangpu, South China.

Total demand for the quarter is thus 438,000 tonnes. Typical demand has been around 366,000-390,000 MT per quarter, comprising 12 cargoes plus an additional 10,000 MT per month to Southern China. Current estimates of 4Q2003 demand thus involve a 12-20% upward revision from previous norms.

Thus, despite the deferrals of cargoes previously reported – due to the impact of SARS on China's economy – full-year volumes are likely to at least match 2002 levels.

CAO's Managing Director and CEO Mr Chen Jiulin said, "China's aviation sector has rebounded swiftly following the containment of SARS. People are travelling again, and the economy is growing at a historically high rate. This naturally has an effect on our tender volumes, as well as on our associate company, the Pudong airport's jet fuel supply company.

"Looking ahead, we are confident of achieving another year of healthy profitability. In addition, we are pressing ahead with various initiatives, which we target to confirm by year-end. If successful, these will springboard the group to even greater heights."

~ End of Release ~

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About China Aviation Oil (Singapore) Corporation Ltd ("CAO")

Listed on SGX in December 2001, CAO is leveraging on the rapidly growing Chinese aviation industry to become a global market player on the premise of its three-pronged strategy to stabilise and enhance profit streams. The only publicly listed entity of its parent company, China Aviation Oil Holding Company, a large state-owned aviation transportation logistics group, CAO is the centrepiece of CAOHC's strategy to expand into international markets and invest in the global oil-related industry.

CAO holds a 33% stake in Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd (SPIA/AFSC), Pudong airport's sole jet fuel supplier and owner of its refuelling and storage facilities. It also has a strategic 5% stake with board representation in Compania Logistica de Hidrocarburos (CLH), Spain's leading oil carrier and owner of its largest network of oil pipelines and storage facilities. Today, CAO trades globally in fuel oil, gas oil, crude oil, petrochemical products and oil derivatives and handles virtually 100% of China's total jet fuel imports. Annual sales revenue was S$1.69 billion in 2002, and market scope has expanded beyond China to ASEAN, the Far East and USA. (www.caosco.com)