



China Aviation Oil

Key Strategic Focus

Jet Fuel Supply & Trading

Developing trading capabilities to maintain CAO's current leading position in PRC's jet fuel import market in the event of deregulation





Key Strategic Focus

Trading of Other Oil Products

Extending into trading of other oil products and petrochemicals

Oil-Related Assets

Investing in oil-related assets to enhance returns and competitiveness of jet fuel supply and/or other trading activities





Jet Fuel Supply & Trading

– Overview



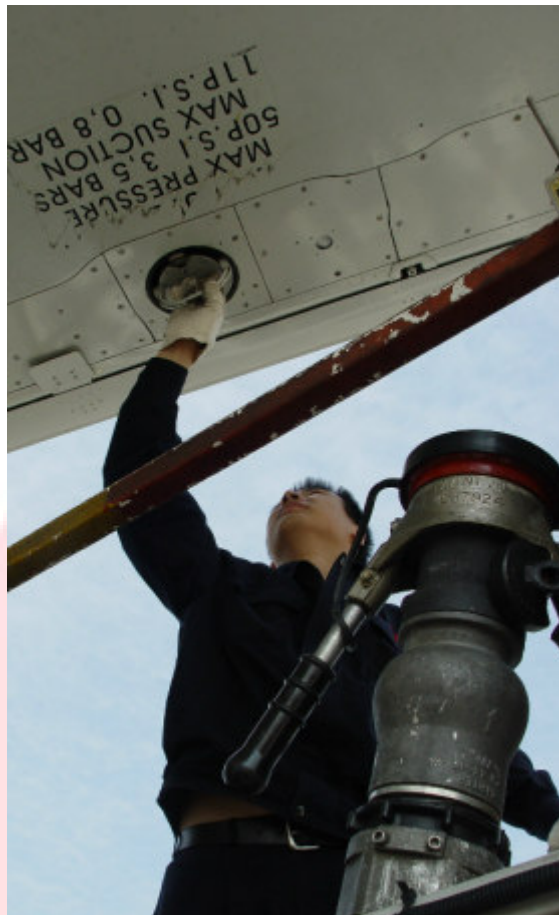
- Strong growth expected for PRC civil aviation industry in coming years
- PRC international passenger numbers expected to average 9% growth p.a. up to 2011, compared to 5.1% growth globally for the same period, according to IATA

(source: IATA Passenger & Freight Forecasts 2007-2011)



Jet Fuel Supply & Trading

– *Strategy*



Transform current procurement model into a supply optimisation model complemented by trading activities to monetise our competitive advantages

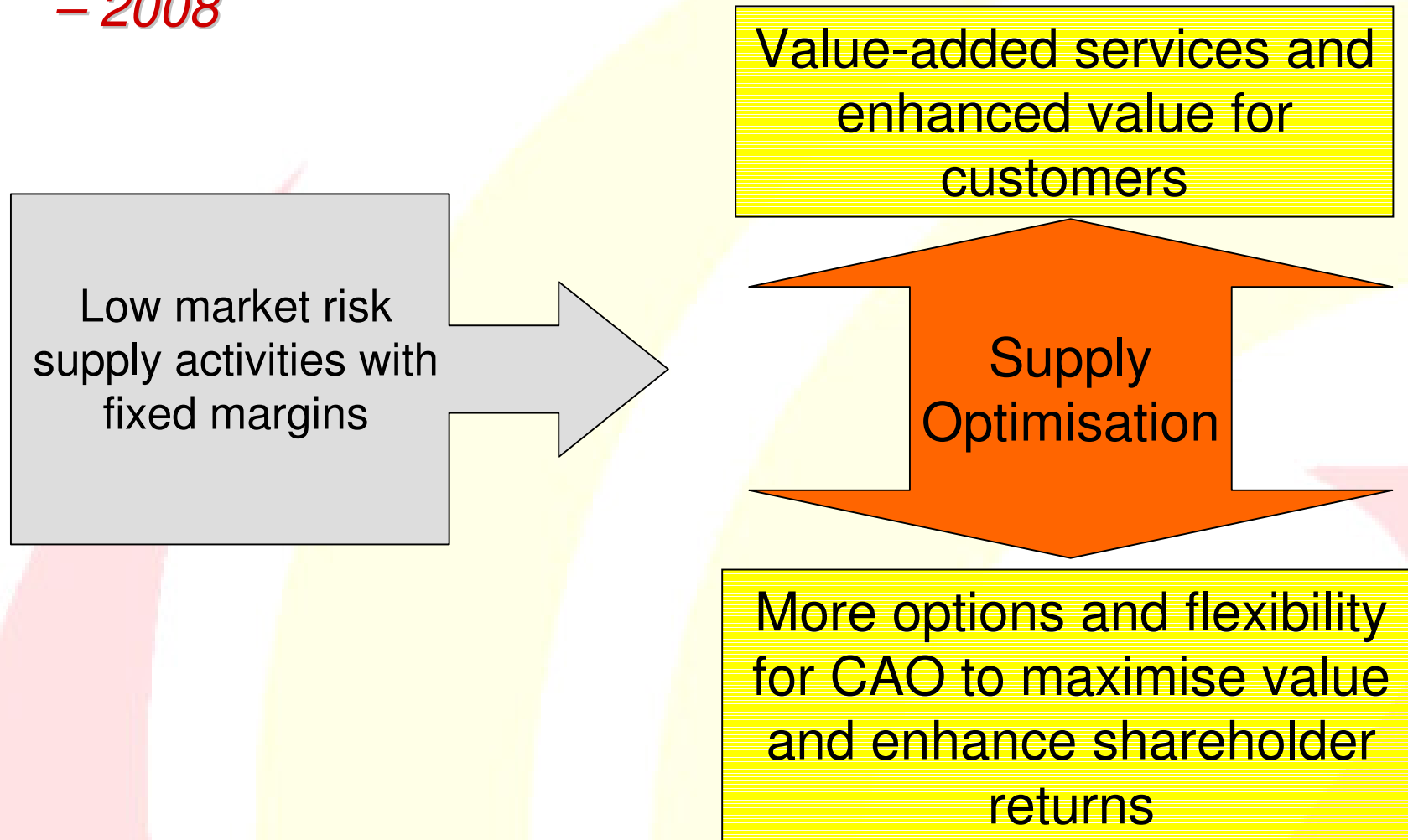
Enhance capabilities to offer value-added services to customers

Extend our competitive advantages beyond PRC



Jet Fuel Supply & Trading

- 2008





Jet Fuel Supply & Trading

– 2009 to 2012

Explore opportunities to extend jet fuel business beyond PRC on basis of competitive advantages in the jet fuel supply chain

Aim:

To be a leader in Asia for supply and trading of jet fuel





Trading of Other Oil Products

– *Strategy*

- To diversify products and geographies by rebuilding capabilities in trading of other oil products and petrochemicals
- To adopt a business model where trading complements supply activities





China Aviation Oil

Trading of Other Oil Products

– 2008

- Conduct market researches and develop strategies for oil products and petrochemicals
- Trading of related oil products





Oil-Related Assets

– 2008 to 2012

- Access to storage and logistics facilities and oil-related assets
 - To support jet fuel supply activities and trading of other oil products/petrochemicals





Agenda

I. Vision & Mission

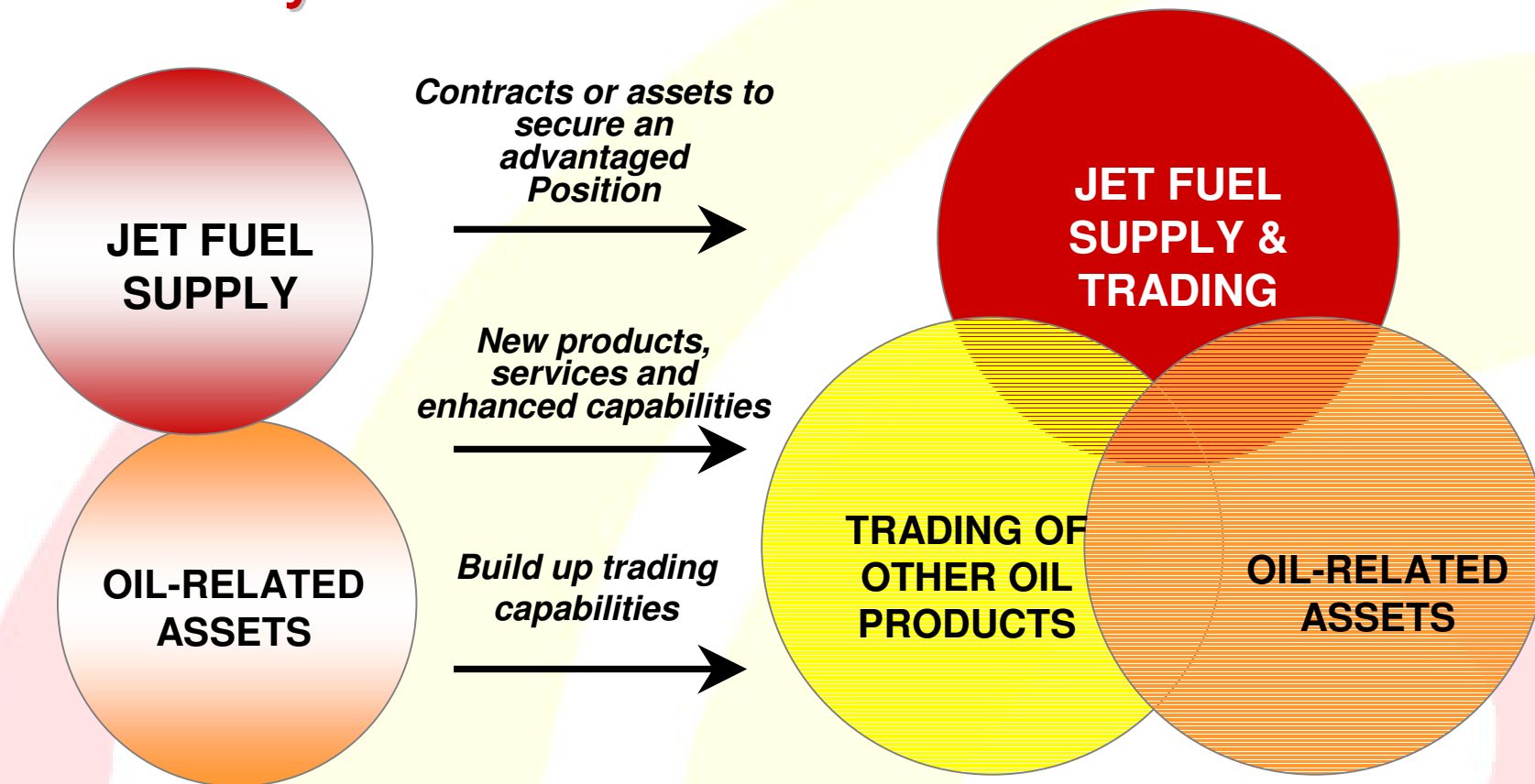
II. Present Position

III. Moving Ahead – Key Strategic Focus

IV. Conclusion



Summary





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Thank You!

Questions