



China Aviation Oil (Singapore) Corporation Ltd

Incorporated in the Republic of Singapore

Registration No.: 199303293Z

MEDIA RELEASE

Resignation of Independent Director

SINGAPORE, 23 April 2008 – The Board of Directors of China Aviation Oil (Singapore) Corporation Ltd ("**CAO**") wishes to announce its acceptance of the resignation of its independent director, Mrs Lee Suet Fern with effect from today. She concurrently relinquished her office as Chairperson of the Audit Committee and Disclosure Committee and as member of the Nominating Committee and Remuneration Committee.

The Board accepts her resignation with regret and expresses its deep gratitude to her for valuable contributions to CAO and conveys its best wishes to her. The Board will act expeditiously to identify and appoint another independent director in place of Mrs Lee.

Mrs Lee, who has been a Director of CAO since 28 March 2006, was a member of the Corporate Governance Assessment Committee ("CGAC") which was constituted in June 2005. The CGAC was primarily involved in reviewing the corporate practices of CAO and in proposing improvements to its internal controls and corporate governance practices.

CAO has since implemented almost all of the recommendations of the CGAC which included:

- (i) Board Constitution-Three independent directors were appointed, two of whom are resident in Singapore;
- (ii) Board Committees-Five standing committees of the Board were established. These are the Audit Committee, Nominating Committee, Remuneration Committee, Risk Management Committee and the Disclosure Committee. The last two Committees are not mandated by the Code of Corporate Governance;
- (iii) Communication Procedures-Communication procedures and information flow between Board and Management have been established. Separate procedures relating to access to information by the two substantial shareholders represented on the Board namely, China National Aviation Fuel Group Corporation and BP Investments Asia Limited, and the Board have been put in place;

- (iv) Internal Audit-An internal audit function has been outsourced to Grant Thornton Specialist Services Pte Ltd. A rolling plan is also formulated and approved by the Audit Committee;
- (v) Financial Statements-Monthly financial statements are released to the Board of Directors;
- (vi) Training-Training process for new directors in respect of the regulatory environment and for staff in respect of the operations and financial controls are in place. Directors are encouraged to attend courses organised by the Singapore Exchange Limited and the Singapore Institute of Directors;
- (vii) Disclosure-Disclosures in compliance with regulatory requirements are made timely;
- (viii) Internal Control System- An internal control system has been put in place;
- (ix) Risk Management Manual and Fraud Control Plan-Revised risk management controls and policies as well as fraud control plan have been implemented; and
- (x) Human Resource Manual and Financial Management Manual- The Human resource manual and the financial manual have been revised and implemented.

The only key recommendation of the CGAC that has yet to be implemented relates to the appointment of a Chief Executive Officer of CAO. In its place, an Executive Director/General Manager was appointed. The Chairman of the Board also chairs the Senior Officers Meeting which meets regularly.

As mentioned previously, a Chief Executive Officer will be appointed as soon as CAO's corporate strategy is formulated. Accordingly, the Board announced CAO's corporate strategy on 28 February 2008 and is now actively looking for a suitable candidate for the position.

The Board believes in the commitment to the highest standards of corporate governance and details are reflected under the Corporate Governance Statement of CAO's Annual Report 2007. The Board will continue to enhance its corporate governance practices.

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 oil-related products, CAO will also continue to seek investment opportunities in oil-related assets that are synergetic to its core businesses.

— End —

For further clarification, please contact:
Ms Loh Woon Yen
Investor Relations, CAO
Office: (65) 6330-1209
Mobile: (65) 8118-5737
Email: woonyen@caosco.com