



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199303293Z)
(the “Company” or “CAO”)

CAO SIGNS INTERIM TRADING AGREEMENT WITH BP SINGAPORE

1. INTRODUCTION

- 1.1 The Board of Directors of the Company refers to the announcement by the Company on 5 December 2005 relating to, *inter alia*, the execution of the Business Co-operation Agreement (the “**Business Co-operation Agreement**”) between CAO, China National Aviation Fuel Group Corporation (“CNAF”), the holding company of CAO and BP Singapore Pte. Limited (“BPS”) (an affiliate of BP Investments Asia Limited, a 20-percent shareholder of CAO).
- 1.2 Pursuant to the terms of the Business Co-operation Agreement, BPS agreed to, *inter alia*, assist the Company in the tender process for the procurement of aviation fuel in the international market. In addition, BPS has the pre-emptive right to supply the necessary aviation fuel required by the Company on terms more favourable to the Company than those obtained by the Company in the tender process. BPS may also, in specified circumstances mentioned in the Business Co-operation Agreement, supply the Company with aviation fuel.

2. INTERIM TRADING AGREEMENT

- 2.1 The parties intend to establish, and are currently in discussions as regards, a long-term trading arrangement pursuant to which BPS will support the Company’s entry into the international market for aviation fuel and import the same into the People’s Republic of China (“**PRC**”) via the Company’s supply contracts with its customers.
- 2.2 The Board of Directors of the Company wishes to announce that pending finalisation of the long-term trading arrangement, the Company and BPS have today entered into an interim trading agreement (“**Interim Trading Agreement**”) pursuant to which:
- (a) BPS agrees to supply part of the Company’s aviation fuel requirements for onward supply to the PRC;
 - (b) the operation of the Business Co-operation Agreement shall be suspended during the term of the Interim Trading Agreement; and
 - (c) the Interim Trading Agreement shall take effect from 1 January 2009 and shall continue for a period of one year or such other period as the parties may mutually agree.

3. MISCELLANEOUS

- 3.1 The Interim Trading Agreement is not expected to have any material financial impact on the Group in terms of earnings per share or net tangible assets per share. Save as disclosed, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Interim Trading Agreement.

By Order of the Board

Doreen Nah
Company Secretary
4 December 2008