China Aviation Oil (Singapore) Corporation Ltd
中国航油（新加坡）股份有限公司

China Aviation Oil April-June Quarterly Procurement Volumes To Rise 84%

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SINGAPORE, 9 March 2004 - SGX Main Board-listed China Aviation Oil (Singapore) Corporation Ltd ("CAO") today announced details of its jet-fuel procurement requirements for the April-June 2004 quarter. Total volume for the quarter is expected to grow at least 84% compared with the April-June 2003 quarter, and 33% compared with the April-June 2002 period.

Mr. Chen Jiulin, CAO's Managing Director and CEO, said, "This figure represents only the initial bulk purchase, and there may be additional spot tenders later in the quarter. The high volumes we expect in the upcoming period follow on from the strength we saw in January through March, as recently demonstrated with our additional spot orders, announced only a few weeks ago. While April to June is usually a relatively quiet period for jet fuel procurement, this year the period will see the fourth consecutive quarterly record in required volumes. "

Growth at major airports

Requirements for the quarter include 210,000 metric tonnes for delivery to Beijing Capital International Airport, 210,000 metric tonnes for delivery to Pudong International Airport, and 90,000 metric tonnes for delivery to Guangzhou Airport. The total thus amounts to 510,000 metric tonnes, compared with 277,400 metric tonnes in April-June 2003.

Pudong demand is the most significant driver of growth. As shown in the table below, Pudong requirements have grown steadily, and the Pudong International Airport now comprises a major part of total demand. (2003 numbers were slightly distorted by SARS, which disproportionately affected Beijing air travel demand.) CAO benefits in this regard not merely through its procurement activity, but also through its 33% stake in the Pudong airport jet fuel supply company. (The Beijing airport jet fuel supply company currently is 100% owned by CAO's parent company.)

(in '000 metric tonnes)	*Total*	*Percentage Growth (Total)*	*Pudong*	*Percentage Growth (Pudong)*	*Pudong as Percentage of Total*
2Q2004	510	84.1%	210	57.9%	41.2%
2Q2003	277	-27.7%	133	-11.3%	48.0%
2Q2002	383	12.0%	150	66.7%	39.2%
2Q2001	342	2.1%	90	50.0%	26.3%
2Q2000	335	31.4%	60		17.9%
2Q1999	255		0		0.0%

Bluesky growth will not be significant in April-June, but is expected to grow dramatically in subsequent quarters. This is because in 2004, the new Guangzhou Baiyun International Airport is expected to open, at significantly higher capacity than the existing airport. It is expected that in addition to this growth in overall jet fuel consumption by Bluesky, the percentage of demand served by imports - that is, provided by CAO - will rise. The new airport will be connected to Huangpu port by a jet fuel pipeline that has specifically been built in order to allow greater access by imported fuel.

Optimal timing

Mr Chen continued: "This year, CAO expects to see a string of positive developments. Procurement is obviously having a strong first half. Investment contributions should rise dramatically. First there is the maiden contribution of our recent acquisition of the Fortune Aviation Holding stake, which owns 24.5% of Bluesky. Furthermore, there is the opening of the new Guangzhou Baiyun International Airport during the course of this year, an event likely to boost Bluesky's profitability significantly. In addition, several of the longer-term trades that we concluded in 2003 will bear their greatest fruit in 2004. Overall, therefore, all three of our business arms are growing, and we are extremely bullish on our prospects for the coming year."

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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 the USA.