



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

China Aviation Oil Seals Large Gasoil Purchase Deal With Saudi Aramco

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SINGAPORE, 28 November ? SGX Main Board-listed China Aviation Oil (Singapore) Corporation Ltd ("CAO") has sealed a deal with Saudi Aramco for 2004 to buy more than 200,000 metric tonnes of gasoil, the company announced today. In addition to the short-term contribution to the company's economic performance that the deal provides, it also paves the way for future trading opportunities and access to major trading partners.

Managing Director and CEO Mr Chen Jiulin said, "Deals with Saudi Aramco do not come easily. We have pursued this opportunity for some time, and are now seeing our efforts bear fruit. Combined with the contributions we are seeing from our strategic investments and the record volumes in our jet fuel procurement business, this and our other trading opportunities are helping all our businesses turn in superior performance. Times are good indeed at CAO."

Deal sealed with Saudi Aramco

CAO has come to an agreement with Saudi Aramco, of Dhahran, Saudi Arabia, to buy (for further sale) of gasoil cargoes in 2004. The terms of the deal call for 0.5% sulphur content, with an option to take 0.25% sulphur content at CAO's preference. This option will increase CAO's trading flexibility given recent Asian trend towards lower-sulphur cargoes. Total volumes will exceed 200,000 metric tonnes.

The deal marks a major milestone for CAO, as it is the first such contract with Saudi Aramco, one of the largest suppliers in the global oil business. It implicitly carries an endorsement of CAO's scale and reliability, and bodes well for similar opportunities in future.

CAO has pursued opportunistic physical trades with a view to further boosting the performance of its international oil trading division. Earlier this year, CAO engineered a deal involving 160,000 metric tonnes of Korean-produced gasoil, for delivery over an extended period in 2003-2004.

The international oil trading business has been profitable in every year since it commenced in 1999.

New tenders bring total to record 662,000 tonnes

China imported jet fuel procurement business is running at record levels in the current quarter. Following the November announcement of two new tenders, the current estimate for October-December totals comes to 662,000 metric tonnes (inclusive of off-market spot deals). This represents a 21.9% increase over July-September purchases of 543,000 metric tonnes, a figure that itself was an all-time high for the company.

CAO Chairman Mr Jia Changbin said, "We are delighted to be able to announce such an agreement. Our investments and procurement both are having an extraordinary year, and it is gratifying that our oil trading is doing so as well. With the access to the giants of the industry that we seek, our opportunities for future growth are multiplying, and this could be the first step in a long and fruitful relationship between CAO and Saudi Aramco."

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