



**CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD**  
**Registration No. 199303293Z**

**ANNOUNCEMENT**

**China Aviation Oil (Singapore) Corporation Ltd lawsuit against J. Aron & Company (Singapore) Pte. discontinued**

China Aviation Oil (Singapore) Corporation Ltd announced today that its legal action against J. Aron & Company (Singapore) Pte., a unit of The Goldman Sachs Group, Inc, has reached a full and final resolution.

Pursuant to the resolution, China Aviation will discontinue its legal action against J Aron and likewise, J. Aron will discontinue its counterclaim against China Aviation. China Aviation will accept J. Aron's claim as a creditor of China Aviation in the Scheme of Arrangement dated 8 June 2005.

Both parties also agree that no further legal action will be pursued by China Aviation in connection with the two agreements entered into between China Aviation and J. Aron for the restructuring of China Aviation's options portfolio in January and June 2004.

The resolution of the legal action is not expected to have any material financial impact on the Company for the financial year ending 31 December 2006.

None of the Directors of the Company or any of the Company's substantial shareholders has any direct or indirect interest in the discontinuance of the Company's action against J. Aron and J. Aron's counterclaim against the Company.

By order of the Board

14 November 2006