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CAO CONTINUES SUSPENSION OF 2011-2014 COLLABORATION AGREEMENT WITH BP SINGAPORE AND MAIN TERMS OF 2013 TERM CONTRACTS FINALISED

1. INTRODUCTION

- 1.1 As announced by the Company on 12 October 2010, the Company and BP Singapore Pte. Limited ("**BPS**") entered into a 2011-2014 Collaboration Agreement (the "**Collaboration Agreement**") on 12 October 2010 pursuant to which, *inter alia*, the parties agreed to enter into arrangements contemplated thereunder with a view to strengthening CAO's capability in the international procurement of aviation fuel and to enhancing the security of supply and competitive terms obtained in the international market for the benefit of CAO and its customers.
- 1.2 On 31 December 2011, CAO announced the signing of term contracts with BPS in relation to the supply of aviation fuel, each for a duration of one year from 1 January 2012 ("**2012 Term Contracts**") and the concurrent suspension of the Collaboration Agreement (including the term contracts entered into thereunder).
- 1.3 To enhance operational effectiveness, the parties agree to continue with the suspension of the Collaboration Agreement (including the term contracts entered into thereunder) for a further period of one year from 1 January 2013 and to enter into new term contracts in relation to the supply of aviation fuel ("**2013 Term Contracts**"). The 2013 Term Contracts will commence on 1 February 2013 and end on 31 December 2013.

2. MAIN TERMS OF 2013 TERM CONTRACTS AND SECOND SUPPLEMENTAL AGREEMENT TO THE COLLABORATION AGREEMENT

The Board wishes to announce that the Company and BPS have reached an agreement on the main terms of the 2013 Term Contracts and the Second Supplemental Agreement to the Collaboration Agreement which provides for the suspension of the Collaboration Agreement for a further period of one year from 1 January 2013. The parties are currently reviewing certain technical details and are in the process of finalising the same for execution.

3. INTERESTED PERSON TRANSACTIONS UNDER CHAPTER 9 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")

The Collaboration Agreement and the 2013 Term Contracts which constitute interested person transactions of the Company for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, come under the purview of the Company's existing mandate for interested person transactions approved by shareholders at the 18th Annual General Meeting of the Company held on 26 April 2012.



4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 4.1 Mr. Alan Haywood and Mr. Chen Liming are both non-independent and non-executive directors of the Company who are also executives of the BP Group. They have abstained from voting on any decisions relating to the 2013 Term Contracts and the suspension of the Collaboration Agreement.
- 4.2 BP Investments Asia Limited and BP Plc, the holding company of BPS, are the direct and indirect controlling shareholders of the Company with a total deemed interest of 20% in the Company (including treasury shares).
- 4.3 Save as disclosed, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the 2013 Term Contracts and the suspension of the Collaboration Agreement.

5. NO MATERIAL FINANCIAL IMPACT ON THE CAO GROUP

The 2013 Term Contracts and the suspension of the Collaboration Agreement are not expected to have any material financial impact on the CAO group in terms of earnings per share or net tangible assets per share for the financial year ending 2013.

By Order of the Board

Doreen Nah
Company Secretary
31 December 2012