



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

("Company")

(Incorporated in the Republic of Singapore)

Company Registration Number: 199303293Z

ANNOUNCEMENT
MANAGEMENT STRUCTURE AND CORPORATE GOVERNANCE CHANGES

Reference is made to the Company's announcement on 28 March 2006 concerning the completion of the Restructuring Plan and its circular to shareholders dated 8 February 2006 ("**Shareholders' Circular**"). Capitalised terms used in this announcement shall have the same meanings as defined in the Shareholders' Circular.

1. NEW MANAGEMENT STRUCTURE

The Directors of the Company are pleased to announce that following the completion of the Company's Restructuring Plan on 28 March 2006, the new Board of Directors has held its first Board meeting.

The new Board of Directors comprises:

- (a) *Mr Lim Jit Poh (Independent Chairman);*
- (b) *Mr Zhao Shousen (Non-Executive Director);*
- (c) *Mr Yang Chuan (Non-Executive Director);*
- (d) *Mr Meng Fanqiu (Non-Executive Director);*
- (e) *Dr Wu Shen Kong (Non-Executive Director);*
- (f) *Mr Ian Springett (Non-Executive Director);*
- (g) *Mrs Lee Suet Fern (Independent Director); and*
- (h) *Mr Liu Fuchun (Independent Director).*

The Board appointed the following five Board Committees;

- (a) *Audit Committee consisting of 3 independent directors (Mr Lim Jit Poh, Mrs Lee Suet Fern and Mr Liu Fuchun) and 2 Non-Executive Directors (Mr Zhao Shousen and Mr Ian Springett) under the Chairpersonship of Mrs Lee Suet Fern;*
- (b) *Remuneration Committee consisting of 3 independent directors (Mr Lim Jit Poh, Mrs Lee Suet Fern and Mr Liu Fuchun) and 2 Non-Executive Directors (Mr Zhao Shousen and Dr Wu Shen Kong) under the Chairmanship of Mr Lim Jit Poh;*
- (c) *Nominating Committee consisting of 3 independent directors (Mr Lim Jit Poh, Mrs Lee Suet Fern and Mr Liu Fuchun) and 2 Non-Executive Directors (Mr Zhao Shousen and Dr Wu Shen Kong) under the Chairmanship of Mr Liu Fuchun;*
- (d) *Disclosure Committee under the Chairpersonship of Independent Director, Mrs Lee Suet Fern and including Non-Executive directors, Mr Zhao Shousen and Dr Wu Shen Kong; and*
- (e) *Risk Management Committee under the Chairmanship of Independent Director, Mr Lim Jit Poh and including Non-Executive directors, Mr Zhao Shousen and Mr Ian Springett.*

In this interim period the Board will not appoint a CEO and in addition to the Board Committees and for the management of the Company between Board Meetings the Chairman, Mr Lim Jit Poh, will chair meetings of the senior officers of the Company (the "Senior Officers Meeting"). The other participants in the Senior Officers Meeting will be Mr Yang Chuan, Madam Gu Yanfei, Mr Zhang Xingbo, the Head of Finance and the Head of Trading.

The Special Task Force, headed by Madam Gu shall continue for a period to ensure the smooth transition from the period of restructuring to the full rehabilitation of CAO. The Special Task Force will report to the Senior Officers Meeting.

The Company has retained Rajah & Tann, the Singapore law firm, to advise the Company on its compliance with the laws, rules and regulations of Singapore and Deloitte & Touche Financial Advisory Services Pte Ltd ("DTFAS") to act as financial adviser. Rajah & Tann and DTFAS have been respectively the Company's legal and financial advisers throughout the restructuring period since 30 November 2004.

2. ADOPTION OF CERTAIN RECOMMENDATIONS OF THE CORPORATE GOVERNANCE ASSESSMENT COMMITTEE ("CGAC") FOR IMPLEMENTATION

The Directors of the Company wish to refer to the Company's previous announcement dated 28 February 2006 concerning the adoption of certain material recommendations of the Corporate Governance Assessment Committee. The Company's has now adopted the balance of the material CGAC recommendations for implementation, including the following;

Communication. The Board will review the adequacy and the content of the information flow from management to the Board for proper decision making.

Company Secretary. To engage a full time trained company secretary who shall support the Board as a whole and each of the committees.

Internal Audit. To review procedures relating to the conduct of the internal audit and internal audit support.

Review Of Internal Manuals. The Board will review the Financial Management and Risk Management Manuals.

External Auditors. The Board will review the appointment of the current external auditors of the Company.

Developing And Implementing A Fraud Control Plan. The Board will develop and implement a fraud control plan that comprises periodic fraud risk assessments.

By Order of the Board of Directors

30 March 2006