



China Aviation Oil (Singapore) Corporation Ltd

Incorporated in the Republic of Singapore
Registration No.: 199303293Z

ANNOUNCEMENT

Extension of MOU signed between CAO, CAOHC and BP

29 January 2007 Singapore. The Company wishes to refer to the Explanatory Statement to the Scheme of Arrangement circulated to shareholders dated 8 February 2006 regarding the Memorandum of Understanding as quoted below:

“3.15 Concurrently with the execution of the Investment Agreement, the Company has entered into a non-binding Memorandum of Understanding with CAOHC and BP in relation to the possible injection of their respective operating assets to be identified and mutually agreed, which may be synergistic and complementary to the Company’s business, into the Company with a view to increasing its assets base, earning capacity and prospects, and thereby improving Shareholders’ value.

3.16 Under the Memorandum of Understanding, the parties shall in good faith negotiate and sign a term sheet setting out the key terms (including pricing and form of consideration) to be included in the definitive operating assets injection agreements, and to sign such definitive agreements as soon as reasonably practicable thereafter. The parties will further in good faith endeavour to ensure that completion of the operating assets injection will take place within 6 to 9 months from Completion. “

The Company is currently evaluating various assets injection proposals from China National Aviation Fuel Holding Company, formerly known as China Aviation Oil Holding Company (“CAOHC”), and BP Investments Asia Limited (“BP”) and the time frame as originally contemplated had since expired.

The parties to the Memorandum of Understanding have agreed to extend the original time frame in which the parties will endeavour to ensure the completion of the operating assets injection for a further period of 6 to 9 months commencing from the date of this announcement.

Adrian Chang
Company Secretary