



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

Further Information On The Growth Prospect Of Our Investment In Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd

28/10/02

The Management of China Aviation Oil (Singapore) Corporation Ltd ("CAO") is pleased to share the following updates:

Shanghai has moved all its international flights (including those to and from Hong Kong and Macau) from Shanghai Hongqiao Airport to the Shanghai Pudong International Airport as scheduled. From today, 28 October 2002, all international flights will take off and land at Shanghai Pudong International Airport, instead of at Shanghai Hongqiao Airport. The Pudong Airport also handles some domestic flights.

After the transfer of flights from Hongqiao Airport to Pudong Airport, passenger traffic is estimated to rise 18% while the volume of cargo handling is anticipated to rise 30%.

As CAO holds a 33% stake in Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd ("SPIA/AFSC"), which is the sole supplier of jet fuel at the new airport, the projected volume of jet fuel consumption for FY2002 and FY2003 taking into account the above shift in air traffic activities are as follows:

	Volume of Jet Fuel Consumed (in metric tonnes)	% Change
FY2001 (Actual)	590,000 MT	-
FY2002 (Forecast)	730,000 MT	23.7%
FY2003 (Forecast)	900,000 MT	23.3%

Due to the potential increase of projected Jet Fuel demand of SPIA/AFSC, the Management of CAO expects improved returns both from our investment in SPIA/AFSC and also from further growth of our core business - Jet Fuel Procurement.