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

CAO Sees Further 36% Increase In Jet fuel Tenders For Third Quarter (Q3) 2003

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Singapore - August 5, 2003 - The Board of Directors of China Aviation Oil (Singapore) Corporation Ltd ("CAO" or "the Company") wishes to announce that the Company has received additional confirmed orders for the incremental quantity of 77,400 metric tonnes ("MTS"), a 36% increase over earlier orders amounting to 216,000 MTS for Q3 that were announced on 14 July 2003.

While the Company in early May 2003 had originally planned Q3 procurement volume of around 145,000 MTS in consideration of the lingering impact of SARS, as at 4 August 2003, total procurement tenders for Q3 2003 had further increased to a total of 293,400 MTS, or an increase of 148,400 MTS or 102.3% above its original estimates.

The latest round of fresh demand has added a net additional 77,400 MTS for Q3, comprising the following indicated shipments for the respective aviation fuel supply companies located at Shanghai's Pudong airport (58,000 MTS), Beijing's Capital airport (8,000 MTS) and Guangzhou's Bluesky airport (12,400 MTS); less 1,000 MTS from the previously announced cargo.

The abovementioned three airports are the largest in China and their combined demand of imported jet fuel accounts for 95% of China's total annual imported jet fuel consumption.

CAO owns 33% of the aviation fuel supply company of Pudong airport, while CAO's parent company China Aviation Oil Holding Company, CAOHC, owns 99% and 51% of the fuel supply company of Beijing and Guangzhou airports respectively.

Commenting on the above increases, Managing Director and CEO Mr Chen Jiulin said, "We are pleased with the increased jet fuel imports as it give a resounding assurance that China's aviation industry is rebounding strongly and proving that the effects of SARS were short-term. It is estimated that flights in China could recover to pre-SARS levels by as early as September 2003. This fast and strong recovery will not only also increase our jet fuel procurement business but also help our associate company Pudong to register better financial performance for 2003.

Looking ahead, we are confident that more international airlines will be reinstating all flights to China in the next few months and China's aviation industry will soon be resuming its growth as previously projected. This is reflected in Singapore Airlines' ("SIA") recent announcement that it is reinstating all flights to Beijing and Shanghai from September. Furthermore, together with its subsidiary SilkAir, SIA will be launching new flights to seven new destinations across China - Shenzhen, Nanjing, Fuzhou, Chongqing, Xi'an, Shenyang, and Dalian by end 2003, to tap on the tremendous potential of these fast-growing cities. The increment of international flights to china will definitely benefit CAO's business."

Pudong Airport expects its second 2nd runway to be completed by 2004 and operating from 2005. Its current annual passenger capacity is 20 million, which is expected to increase to 60 million in 2008 when its second 2nd passenger terminal is ready, in preparation of the 2010 Shanghai World Expo. Guangzhou is scheduled to switch over to its new international airport with a capacity of 25 million passengers sometime in 2004. Beijing's Capital Airport is also undergoing upgrading works to progressively increase its current capacity from 60 million passengers to 80 million.