



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

China Aviation Oil Signs Tank Storage Agreement With TANKSTORE

21/02/03

Singapore, 21 February 2003 - The Management of China Aviation Oil (Singapore) Corporation Ltd ("CAO") ("the Company") wishes to announce that it has entered into an agreement with TANKSTORE, a Singapore-registered company, to lease 41,240 cubic metres of oil tank storage at Pulau Busing, Singapore.

The lease agreement for the tank storage is for a period of 12 months with effect from March 1, 2003.

With this tank storage capacity, CAO will be able to reinforce its international oil trading activities and improve its overall margins and also allow the Company to optimise its procurement opportunities wherever possible. The tank storage facility will also strengthen the Group's supply chain and systems support for its oil trading activities.

CAO has three core activities - jet fuel procurement for China's civil aviation industry, international oil trading, and strategic investments in oil-related infrastructure logistics.

During the year 2002, CAO made two major strategic investments. The first was CAO's purchase of 5% equity interest in Compania Logistica de Hidrocarburos, S.A ("CLH"), Spain's leading company in the petroleum transportation and storage market.

This was followed closely by CAO's acquisition of a 33%-interest in Shanghai Pudong International Airport Aviation Fuel Supply Corporation Ltd ("SPIA/AFSC"). SPIA/AFSC owns and operates the sole refueling facilities at Shanghai Pudong International Airport ("Pudong Airport") and has exclusive rights to supply fuel to airlines using the Pudong Airport.

Both investments are expected to have made positive contributions toward CAO's financial performance for the financial year ended December 31, 2002 ("FY 2002").

The latest tank storage lease arrangement complements the strategic objective of CAO to pursue downstream integration in oil-related infrastructures investments in support of its jet fuel and international oil trading activities.