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

China Aviation Oil On Track To Achieving Record Growth In 2004

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SINGAPORE, 16 February 2004 ? SGX Main Board-listed China Aviation Oil (Singapore) Corporation Ltd ("CAO") today announced additional off-spot cargoes and a deal with a new customer in Hong Kong, and said the Company's jet fuel procurement and international oil trading division is on track to achieve record growth in the financial year ending 31 December 2004 ("FY 2004").

The latest new spot cargoes of 30,000 metric tonnes ("MT"), for delivery in March 2004, brought CAO's total spot and tender volumes to a third consecutive quarterly record, reaching 603,000 MT for the January-March 2004 quarter ("Q1 2004").

This surpassed the previous all-time high, announced in the Company's earlier press release dated on 10 December 2003, citing volumes for Q1 2004 (exclusive of prompt spot cargoes) of 551,000 MT for a 58%-rise over Q1 2003. When China first began importing jet fuel in 1991, total volume imported for the year was a modest 25,000 MT.

Separately, benefits arising from growth initiatives by CAO's international oil trading division in 2003 have already kicked in. The enlarged team of experienced traders has extended the range of oil products traded, such as crude oil, naphtha, bunker oil and gasoil. With a stable and growing customer base for naphtha, CAO has renewed supply contracts with Exxon Mobil and ChemOil/ITC, accounting for a combined 60,000 MT monthly. New customers secured in 2004 include Hong Kong-based China Resource Petroleum Co. Ltd ("CRC").

Managing Director and CEO Mr. Chen Jiulin said, "We are pleased that CAO has kicked off 2004 with a superb start in all three of our business lines - strategic investments, international oil trading, and jet fuel procurement. Our international oil trading division has made inroads into new markets. In 2003, our trading in crude and naphtha for Korea and Japan alone accounted for at least 700,000 MT; for 2004, transaction volume secured to date amount to 500,000 MT. From 2004 onward, this division will be able to reap the benefits of new synergies and trading opportunities arising from our recent investments in Bluesky and Shuidong oil tank farm. With growing economic prosperity, more people in China are willing to spend more on air travel. This is leading to higher jet fuel consumption and, in turn, better potential returns from our integrated investments in Pudong, Shuidong and Bluesky."

Recent reports have cited Guangzhou-based China Southern Airlines as having carried 26% more passengers in January 2004 compared with a year earlier. It and China Eastern Airlines together added more than 2,400 flights between January 7 and February 15 to cater to Lunar New Year holiday travel. Combined with rapidly growing domestic and international business travel as more Chinese cities imitate the development of Beijing, Shanghai and Guangzhou, China's increasing demand for jet fuel is expected to continue to outstrip local supply, resulting in even faster growth in jet fuel imports.

In anticipation of higher trading volumes in FY 2004, CAO has leased an additional coated oil tank from Tankstore in Singapore and renewed its existing leases on two tanks, boosting storage capacity to 52,027 cubic metres (an increase of 12%) at this tank farm.

By Order of the Board
Adrian Chang
Company Secretary