



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

CAO Announces Stake In Spanish Oil Giant - CLH

26/04/02

Singapore, April 26, 2002 - The Management of China Aviation Oil (Singapore) Corporation Ltd (CAO) is pleased to announce that the company has received an irrevocable offer to purchase 5% of Compania Logistica de Hidrocarburos, S.A. (CLH).

CLH is a Spanish oil logistics and facilities company. Its principle business is the storage, transport and distribution of oil products. These products include gasoline, gas oil, jet fuel, fuel in the ground, aviation and maritime fuels.

CLH is the leading oil carrier in Spain and owns the largest network of oil pipelines and storage facilities in the country. As at the end of 2000, CLH had over 83% market share in gasoline and gas oil distribution and 100% market share in jet fuel distribution.

CLH's profits after tax have grown from Euro 104 million (S\$168.6m) in 1997 to Euro 165 million (S\$267.5m) in 2001. A 5% share of the 2001 net profit would be Euro 8.23 million (S\$13.3m).

Mr Chen Jiulin, Managing Director of CAO said: "The deal gives CAO a base in Europe from which to extend our jet fuel sales business in the European market and to develop a 24 hour a day trading business."

"CLH has one of the most advanced and integrated oil logistics infrastructures in the world. The business is directly related to the oil industry and as such, we are very familiar with it,"

"CLH has a solid asset base and offers a low business risk due to its regional monopoly."

"The CLH investment complements CAO's current procurement business and will help to stabilize earnings and offer long term growth prospects."

"With the CLH investment CAO will have the added advantage of distributing jet fuel to Spain."

"The cost of purchasing 5% in CLH has been agreed at Euro 59.9 million (S\$97.1m). The proposed investment will be made using IPO proceeds of approximately \$15 million as stated in the prospectus. The balance will come from a combination of internal resources and bank financing using a 70%:30% debt/equity ratio."

"This will ensure the company holds sufficient funds for other planned investments such as the previously announced acquisition of the Shanghai Pudong International Airport Aviation Fuel Supply Company Ltd."

"With our overseas investments growing, CAO will soon be transformed into an international brand for aviation oil with the combined strength of jet fuel procurement, international oil trading and industrial investment business segments," Mr Chen said.

Mr Chen Jiulin
Managing Director

About CAO

China Aviation Oil (Singapore) Corporation Ltd (CAO) was incorporated in Singapore in 1993, and listed on the Singapore Exchange (SGX) in December 2001. Today, CAO supplies nearly 100% imported Jet Fuel to China civil aviation industry, which amounted to about 1.65 million Metric Tons during 2001. In addition to jet fuel procurement,

CAO also trades petroleum products including jet fuel, gasoil, fuel oil, crude oil, plastics and oil derivatives. These trading operations are primarily located in Singapore.

Contacts:

Matthew Shaw/Kathy Zhang

Financial PR Pte Ltd

Address: 30 Merchant Road, #03-15 Riverside Point, Singapore 058282

Tele: +65 6 438 2990

E-mail: staff@financialpr.com.sg

Jennie Liu

China Aviation Oil (Singapore) Corporation Ltd

Address: 8 Temasek Boulevard, #31-02 Suntec Tower Three, Singapore 038988

Tele: +65 6 334 8979

E-mail: jennie@caosco.com