

China Aviation Oil (Singapore) Corporation Ltd



Corporate Strategy

28 February 2008



Disclaimer

This presentation slides may contain forward-looking statements that involve risks and uncertainties. These statements reflect management's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in the light of currently available information. Such forward-looking statements are not guarantees of future performance or events. Accordingly, actual performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, competitive factors and political factors. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.



Agenda

I. Vision & Mission

II. Present Position

III. Moving Ahead – Key Strategic Focus

IV. Conclusion



Vision

We aim to become an internationally competitive energy company, optimised by synergetic energy trading and asset investments, characterised by integrity and driven by innovation



Mission

- To maintain our position as the most important and preferred international supplier of jet fuel to PRC
- To become an important regional supplier/trader of other oil products and petrochemicals
- To achieve sustainable growth in shareholder value through our unique market positioning in our core market and a diversified portfolio of growth opportunities



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Overview – Jet Fuel Supply

- PRC is key market, with CAO accounting for >90% of PRC imports
- Low risk supply activity with fixed margins





Overview – Investments



- SPIA Airport Aviation Fuel Supply Co (33%)
 - Key profit contributor to the Group
- CAO Xinyuan Petrochemicals Co. Ltd (39%)
 - Non-core asset with immaterial contribution to the Group currently



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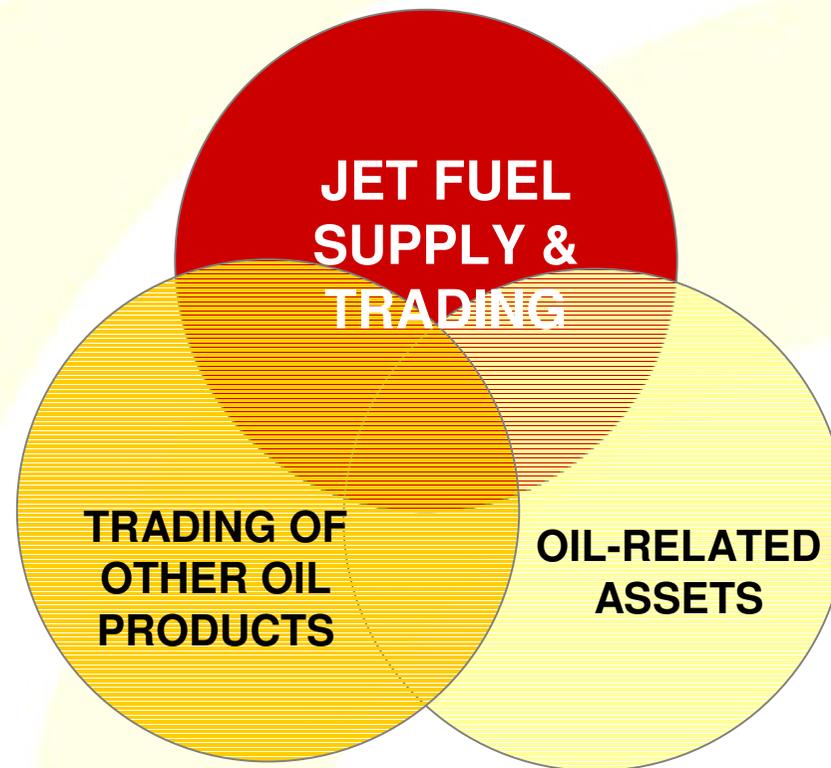
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Key Strategic Focus

To build up a portfolio of supply, trading and oil-related assets that are synergetic to each other





China Aviation Oil

Key Strategic Focus

Jet Fuel Supply & Trading

Developing trading capabilities to maintain CAO's current leading position in PRC's jet fuel import market in the event of deregulation





Key Strategic Focus

Trading of Other Oil Products

Extending into trading of other oil products and petrochemicals

Oil-Related Assets

Investing in oil-related assets to enhance returns and competitiveness of jet fuel supply and/or other trading activities





Jet Fuel Supply & Trading

– Overview



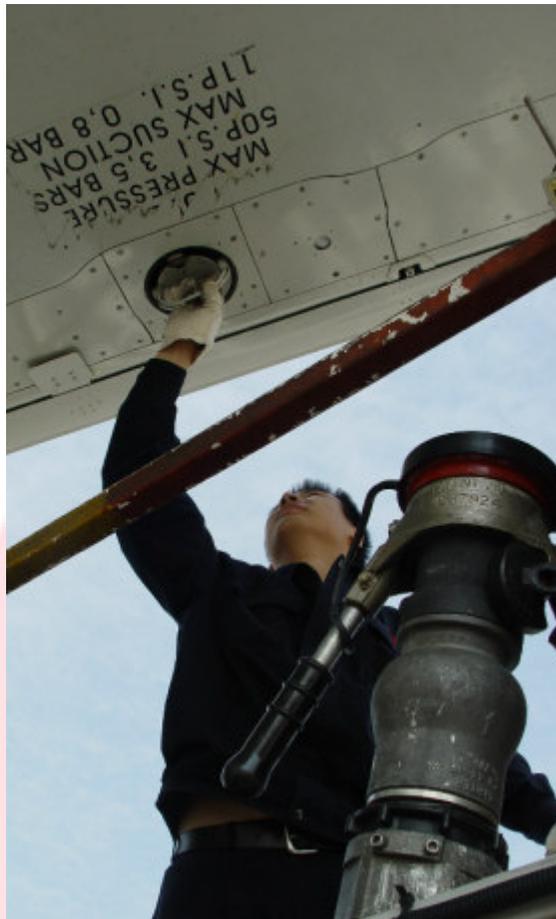
- Strong growth expected for PRC civil aviation industry in coming years
- PRC international passenger numbers expected to average 9% growth p.a. up to 2011, compared to 5.1% growth globally for the same period, according to IATA

(source: IATA Passenger & Freight Forecasts 2007-2011)



Jet Fuel Supply & Trading

– *Strategy*



Transform current procurement model into a supply optimisation model complemented by trading activities to monetise our competitive advantages

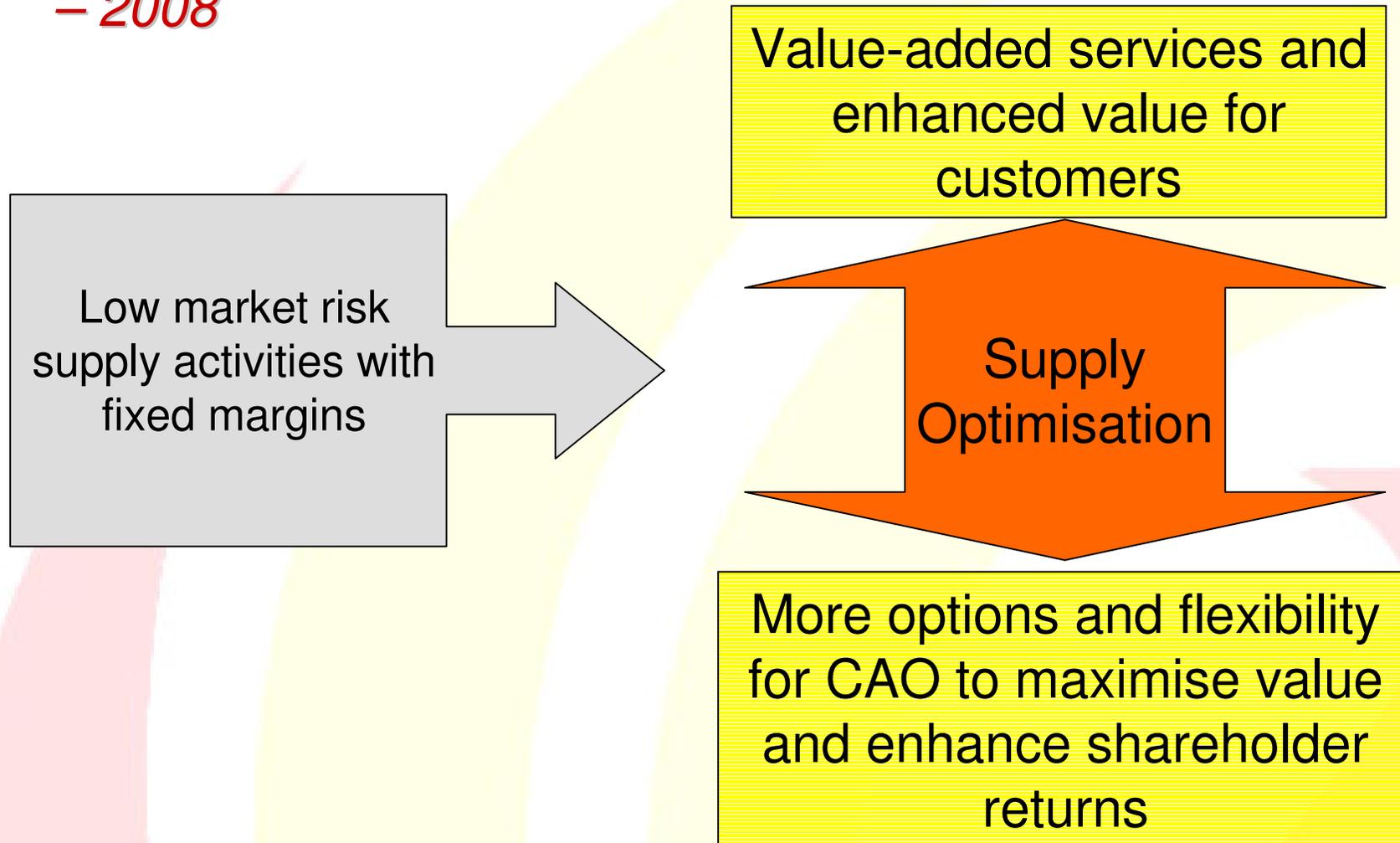
Enhance capabilities to offer value-added services to customers

Extend our competitive advantages beyond PRC



Jet Fuel Supply & Trading

- 2008





Jet Fuel Supply & Trading

– 2009 to 2012

Explore opportunities to extend jet fuel business beyond PRC on basis of competitive advantages in the jet fuel supply chain

Aim:

To be a leader in Asia for supply and trading of jet fuel





Trading of Other Oil Products

– *Strategy*

- To diversify products and geographies by rebuilding capabilities in trading of other oil products and petrochemicals
- To adopt a business model where trading complements supply activities





Trading of Other Oil Products

– 2008

- Conduct market researches and develop strategies for oil products and petrochemicals
- Trading of related oil products





Oil-Related Assets

– 2008 to 2012

- Access to storage and logistics facilities and oil-related assets
 - To support jet fuel supply activities and trading of other oil products/petrochemicals





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I. Vision & Mission

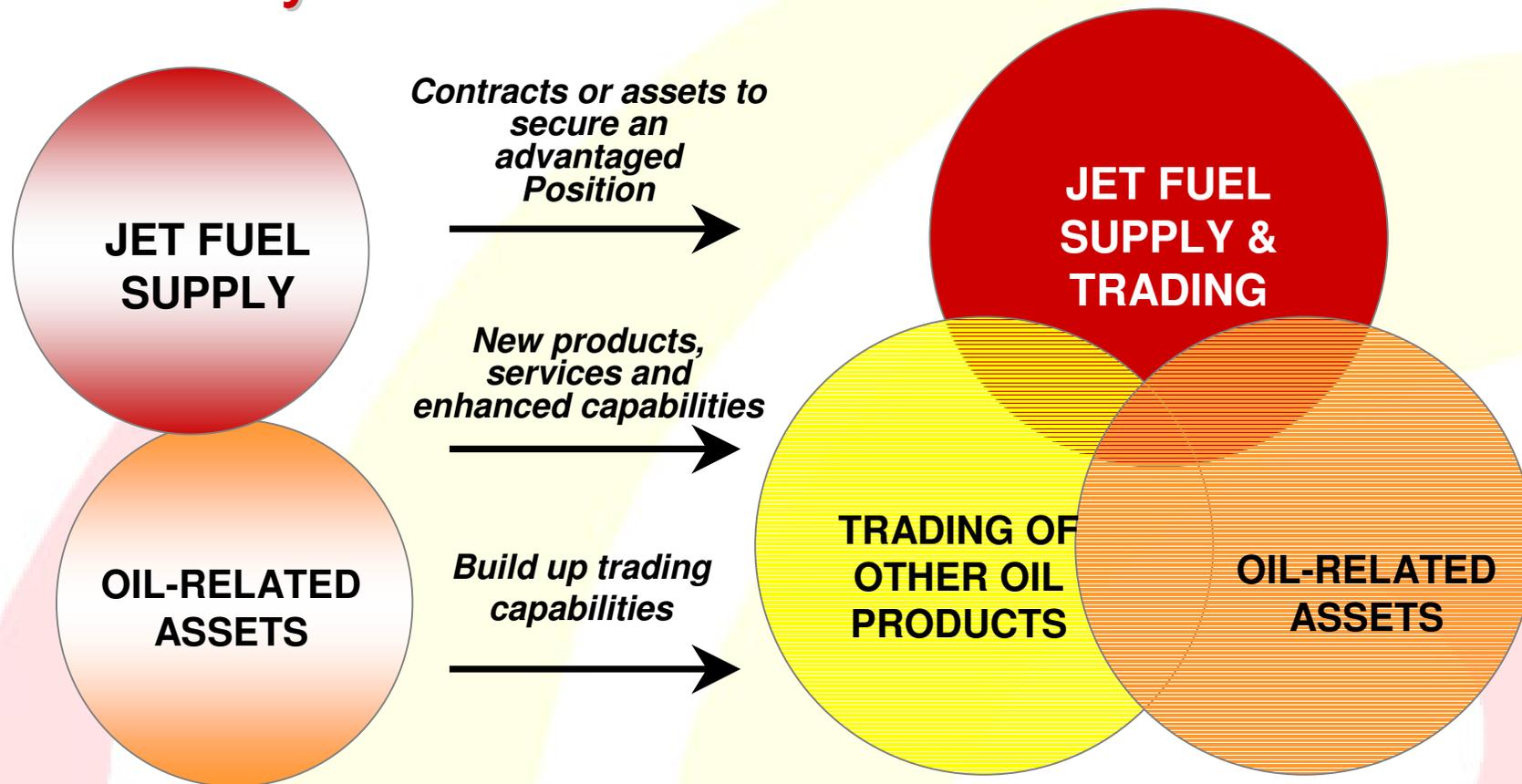
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Summary





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Thank You!

Questions