



China Aviation Oil (Singapore) Corporation Ltd (“CAO” or the “Company”)

Singapore, 15 December 2004 - The Company refers to the article by *The Asian Wall Street Journal* on 15 December 2004, entitled "CAO Singapore Expected Parent's Help as Loss Grew – Suspended CEO Insisted Beijing Firm Would Cover Derivatives - Trading Deficit".

The abovementioned article reports that on 12 November 2004, Mr Peter Lim, the Head of Finance of CAO, had received a faxed letter that appeared to be signed by Mr Chen Jiulin and Mr Jia Changbin, President of CAO Holding Company (“CAOHC”) which contained a statement that CAOHC would save CAO.

The article also states that CAOHC has denied sending any such fax and “did not at any time sign or enter into any letter or agreement to assume the obligations or liabilities” of CAO.

The Company’s Independent Directors, together with its legal and financial advisers, will be bringing this matter to the attention of the relevant authorities.