



**China Aviation Oil (Singapore) Corporation Ltd**

Incorporated in the Republic of Singapore

Registration No.: 199303293Z

**Update on Financial Performance for the First Quarter of 2009**

Taking into consideration the developments from the first quarter of 2009 to the date of this Announcement, the Board of Directors of China Aviation Oil (Singapore) Corporation Ltd (“CAO”) would like to provide a brief update on the financial performance of the CAO Group for the first quarter ended 31 March 2009 (“1Q 2009”).

Shanghai Pudong International Airport Aviation Fuel Supply Company (“SPIAAFSC”), a 33-percent owned associated company of CAO, has been one of its main profit contributors.

SPIAAFSC had continued to incur a net loss of about US\$8.8 million in 1Q 2009 which is significantly lesser than the net loss of US\$33.0 million incurred in 4Q 2008. The continued loss, albeit smaller, is largely due to higher procurement costs of jet fuel inventory vis-à-vis sales revenues as a result of falling oil prices in 4Q 2008 and early 2009.

Notwithstanding this, the fundamentals of CAO’s core businesses have remained strong despite the current global economic downturn. CAO’s core businesses of jet fuel supply and trading and trading of other oil products have remained profitable in 1Q 2009, with the jet fuel trading business registering particularly strong growth. However, taking into account CAO Group’s share of net loss from SPIAAFSC of approximately US\$2.9 million, CAO Group is expected to record lower earnings in 1Q 2009 as compared to US\$9.0 million in the corresponding period last year. On the other hand, CAO Group’s net earnings achieved for 1Q 2009 marks a significant improvement from its last announced net loss of US\$3.5 million for the quarter ended 31 December 2008.

Further details of the Group’s financial performance will be disclosed when CAO announces its unaudited consolidated financial results for the quarter ended 31 March 2009 on 15 May 2009.

By Order of the Board

Doreen Nah  
Company Secretary  
15 April 2009