



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199303293Z)
(the “**Company**”)

UPDATE IN RELATION TO THE PROPOSED ACQUISITION OF 49% OF THE EQUITY CAPITAL OF CHINA NATIONAL AVIATION FUEL TSN-PEK PIPELINE TRANSPORTATION CORPORATION LTD (“TSN-PEKCL”) AND SUPPLEMENTAL JOINT VENTURE AGREEMENT RELATING TO TSN-PEKCL

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company’s announcements dated 23 April 2008 and 21 August 2008 in relation to the Proposed Acquisition.

On 23 April 2008, the Board of Directors of the Company (the “**Board**”) announced (the “**Announcement**”) that the Company had entered into a sale and purchase agreement also dated 23 April 2008 (“**SPA**”) with China National Aviation Fuel Group Corporation, the holding company of the Company (“**CNAF**”), for the proposed acquisition of 49% of the equity capital of China Aviation Pipeline Transportation Centre (“**TSN-PEK**”). In connection to the Proposed Acquisition and in accordance with the requirements of the laws of the People’s Republic of China, the Company and CNAF had also entered into a joint venture agreement on 23 April 2008 to govern their relationships as shareholders *inter se* (“**JVA**”).

On 16 June 2008, China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd (“**TSN-PEKCL**”), which was wholly owned by CNAF, was registered as a limited liability company where all assets and liabilities of TSN-PEK were transferred to TSN-PEKCL as TSN-PEK’s successor-in-title. On 21 August 2008, the Board announced that the Company and CNAF have entered into supplemental agreements both dated 21 August 2008 to amend the SPA and the JVA.

It was previously stated in the Announcement that CNAF had undertaken to the Company that it will guarantee to the Company that the net profit after tax of TSN-PEKCL in respect of the financial year 2008 shall not be less than RMB 47.28 million. The Company and CNAF have however, agreed to set aside the previous undertaking and CNAF will provide a new undertaking to the Company to replace the undertaking which was set aside.

Under the new undertaking, CNAF will undertake to the Company that it will guarantee to the Company that the net profit after tax of TSN-PEKCL in respect of the financial year 2009 shall not be less than RMB 47.28 million, rather than financial year 2008 as originally agreed under the previous undertaking. The reason for the provision of the new undertaking is that under the current timeline, the Proposed Acquisition will only be completed sometime in early 2009 rather than in 2008 as previously envisaged. Beyond the change made to the financial year in question in the undertaking, no other terms have been varied or amended.

Further details of the terms of the SPA (as amended and supplemented by the SPA Supplemental Agreement) and the JVA (as amended and supplemented by the JVA Supplemental Agreement) will be described in the circular to be issued by the Company and dispatched to the Shareholders in due course for the purpose of obtaining the approval of Shareholders for the Proposed Acquisition during an extraordinary general meeting of the Company to be convened.

By Order of the Board

Doreen Nah
Company Secretary
5 December 2008