



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

("Company")

(Incorporated in the Republic of Singapore)

Company Registration Number: 199303293Z

ANNOUNCEMENT

CREDITORS' SHARE INVITATION

- CLOSE OF APPLICATION AND DETAILS OF APPLICATIONS BY TRANCHE B CREDITORS

Reference is made to the Company's announcements of 5th, 9th and 21st December 2005 ("**Announcements**"). Capitalised terms used in this announcement shall have the same meaning as defined in the Announcements.

The Creditors' Share Invitation closed on 28 December 2005, and the Company is pleased to announce the following details of the applications for the Creditors' Invitation Shares by Tranche B Creditors:

- (a) 10 Tranche B Creditors subscribed for Shares of which an aggregate subscription consideration of approximately US\$62 million is payable. In view that 72,282,059 Creditors' Invitation Shares are available for subscription for an aggregate subscription consideration of approximately US\$22 million under the Creditors' Share Invitation, the Creditors' Share Invitation has been oversubscribed.
- (b) Subject to Shareholders' approval and the Restructuring Plan being implemented in its entirety, the Company will issue and allot 72,282,000 Creditors' Invitation Shares (out of the 72,282,059 Shares available for subscription under the Creditors' Share Invitation, to avoid any odd-lots issue of Shares) on the Completion Date to the Tranche B Creditors who have been allocated the Creditors' Invitation Shares.
- (c) The subscription consideration payable for the 72,282,000 Creditors' Invitation Shares shall be set off against the debt payable to the allocated Tranche B Creditors and on issue and allotment of the Creditors' Invitation Shares on the Completion Date, will result in a reduction of approximately US\$9.6 million in cash and approximately US\$12.4 million in Deferred Debt payable to these Tranche B Creditors, amounting to an aggregate reduction of approximately US\$22 million in debt payable by the Company under the Creditors' Scheme.

The successful Tranche B Creditors who have been allocated the Creditors' Invitation Shares will be informed in due course by the Company.

The Directors wish to thank all Tranche B Creditors who have applied for the Creditors' Invitation Shares for their support.

By Order of the Board of Directors

4 January 2006