



**CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD**  
**SETTLES SMBC SUIT**

Singapore, 16 January 2006 – China Aviation Oil (Singapore) Corporation Ltd (“the Company”) has entered into a settlement agreement with Sumitomo Mitsui Banking Corporation (“SMBC”) in relation to their lawsuit filed in the Singapore High Court.

Under the terms of the settlement agreement the Company accepts liability of USD26 million to SMBC in full and final settlement of its claims. The said USD26 million shall be paid in accordance with the terms of the Scheme of Arrangement which was approved at the Creditors’ meeting on 8 June 2005 and sanctioned by the High Court of Singapore on 13 June 2005. The settlement is subject to and conditional upon the Scheme of Arrangement becoming effective.