



China Aviation Oil (Singapore) Corporation Ltd  
中國航油（新加坡）股份有限公司

## **SK Energy Judicial Management Petition Against China Aviation Oil Adjourned For One Week**

01/04/05

Singapore, 1 April 2005 - China Aviation Oil (Singapore) Corporation Ltd ("the Company") would like to announce that the High Court of Singapore has adjourned the Judicial Management Petition filed by SK Energy Asia Pte Ltd ("SKEA") for one week to 8 April 2005 at 9.30 am.

At the hearing today, SKEA requested the Court for a five-week adjournment to 6 May 2005. The reason given by SKEA for this request was that the Company had represented to its creditors that an improved Scheme of Arrangement would be presented, and that the terms of such revised Scheme should be finalised by 6 May 2005. The Company wishes to highlight that this reason is not stated anywhere in SKEA's petition to place the Company under judicial management.

The Company further notes that, in an article entitled "SK Energy may delay move to put CAO under judicial management" in [www.channelnewsasia.com](http://www.channelnewsasia.com) dated 30 March 2005, it was reported that SKEA might seek an adjournment for an entirely different reason, namely, that SKEA might require more time to consider PricewaterhouseCoopers' Statement of Phase I Findings issued on 28 March 2005.

At the hearing, the Company responded to SKEA that the Company is meeting with its creditors to obtain the creditors' feedback and to use its best efforts to improve the terms of the proposed Scheme of Arrangement. The Court then adjourned the hearing for one week to give SKEA an opportunity to clarify the position, and, if it wished, to write to the Company in this regard.

The Company would like to express its disappointment at SKEA's stance. SKEA should not use the judicial management proceedings to attempt to set an earlier deadline for the Company to come up with an improved Scheme of Arrangement. If the true objective of SKEA is to negotiate for an improvement of the terms of the proposed Scheme of Arrangement, SKEA should engage in dialogue with the Company instead of presenting a petition for judicial management.

The majority of the Company's creditors are already working together with the Company to successfully conclude a debt restructuring. At least 53% in value of the Company's creditors support the current restructuring process at this stage. In contrast, only one other creditor of the Company has expressly voiced its support for the judicial management proceedings commenced by SKEA.

SKEA's actions are disruptive and counter-productive, and therefore contrary to the wider collective interest of the Company's creditors. The Company has had to divert some of its resources and management time to deal with the judicial management proceedings instead of focussing wholly on the restructuring efforts which have the support of the majority of its creditors. It should also be noted that the Company's parent company, China Aviation Oil Holding Company, has emphasized that it will withdraw support and terminate the Company's core jet fuel procurement business should the Company be placed under judicial management.

The Company wishes to assure its creditors that it will exercise its best efforts to improve the terms of the proposed Scheme of Arrangement and will continue to work together with its creditors towards a successful restructuring of its debts.