

AIR NEW ZEALAND

CHAIRMAN
Air New Zealand Limited
Private Bag 92007
Auckland 1, New Zealand

25 September 2001

Mr Rob Cameron
NZ Government Chief Negotiator
Cameron & Co
WELLINGTON

Confidential

Dear Mr Cameron

I confirm my advice to you that at an Air New Zealand board meeting last evening, it was agreed unanimously that:

- (1) Air New Zealand requires additional equity of a minimum of \$850 million to:
 - (a) consummate a proposed settlement with the Administrators of Ansett Australia in order to obtain a release of all claims under the letter of comfort, employee entitlements and otherwise; and
 - (b) to provide for Air New Zealand's capital requirements in the changed aviation environment that exists after the terrorists' attacks in the United States.
- (2) The New Zealand Government be asked to underwrite an equity raising to the full amount of \$850 million to be commenced after the current due diligence/business case process has been completed. The final equity amount required would be determined following completion and approval of the business plan and due diligence. It is anticipated that all shareholders would have an equal opportunity to participate in the equity raising.

All directors (including those representing Brierley Investments Limited and Singapore Airlines Limited) support this position and request.

A further board meeting is scheduled for 4pm today and I would very much appreciate the response of the NZ Government before that time.

Yours sincerely



J A Farmer
Acting Chairman