

IN THE FEDERAL COURT OF AUSTRALIA
DISTRICT REGISTRY

No. V621 of 2005

IN THE MATTER OF ANSETT AUSTRALIA LIMITED
(ACN 004 209 410) & ORS (in accordance with the
Schedule attached) (All Subject to a Deed of
Company Arrangement)

and

MARK ANTHONY KORDA and MARK FRANCIS
XAVIER MENTHA (as Deed Administrators of the
Companies)

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MAK-26**" produced and shown to **MARK ANTHONY KORDA** at the time of swearing his affidavit dated 12 September 2005.

Before me:

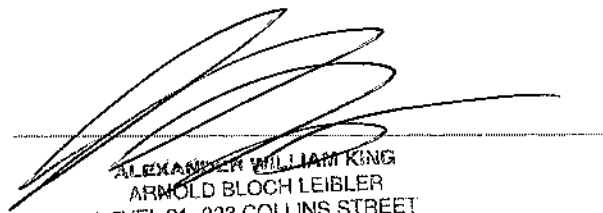

ALEXANDER WILLIAM KING
ARNOLD BLOCH LEIBLER
LEVEL 21, 333 COLLINS STREET
MELBOURNE 3000
A NATURAL PERSON WHO IS A CURRENT
PRACTITIONER WITHIN THE MEANING OF
THE LEGAL PRACTICE ACT 1996

Exhibit "MAK-26"
Class C Cross-Guarantee

GROUP C 'MAK-ZU'

CL

DAY OF JUNE 1999 IS

THIS DEED OF CROSS GUARANTEE
MADE BETWEEN

The Group Entities (which are listed in Part 1 of the Schedule); and

The Trustee (which is named in Part 2 of the Schedule); and

The Alternative Trustee (which is named in Part 3 of the Schedule),

LODGED

DATE: 30/6/99

DELEGATE OF THE AUSTRALIAN
SECURITIES AND INVESTMENTS COMMISSION

for the purpose of the Group Entities (except those indicated in Part 1 of the Schedule as being ineligible) obtaining the benefit of the Class Order and witnesses as follows:

1. INTERPRETATION

1.1 In this Deed:

APPROVED

DATE: 7/7/99

DELEGATE OF THE AUSTRALIAN
SECURITIES AND INVESTMENTS COMMISSION

"ASIC" means the Australian Securities and Investments Commission

"Associate" has the meaning given by Division 2 of Part 1.2 of the Corporations Law;

"Assumption Deed" means a Deed executed pursuant to clause 5 by which a further Group Entity or further Group Entities may be joined to this Deed of Cross Guarantee;

"Class Order" means Class Order 98/1418 made by the Australian Securities and Investments Commission pursuant to subsection 341(1) of the Corporations Law on 13 August 1998;

"Closed Group" means the Holding Entity and the Wholly-owned Entities;

"Control" has the same meaning as that term has in accounting standard AASB 1024 "Consolidated Accounts";

"Creditor" means a person (whether now ascertained or ascertainable or not) who is not a Group Entity and to whom now or at any future time a Debt (whether now existing or not) is or may at any future time be or become payable;

"Debt" means any debt or claim which is now or at any future time admissible to proof in the winding up of a Group Entity and no other claim;

"Group Entity" means (until this Deed of Cross Guarantee ceases to apply to that entity by virtue of a disposal under clause 4.2 or until that entity is released from this Deed of Cross Guarantee by a Revocation Deed under clause 4.5);

(a) any one of the entities listed in Part 1 of the Schedule; and

(b) any entity joined to this Deed of Cross Guarantee by the execution of an Assumption Deed;

"Holding Entity" means the Group Entity which controls each of the other Group Entities and which is not controlled by another Group Entity;

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ation Deed" means a Deed executed pursuant to clause 4.5 by virtue of which this Deed of Cross Guarantee ceases to apply to one or more of the Group Entities; and

"Wholly-owned Entities" collectively mean companies and foreign companies:

- (a) all of which are controlled by the Holding Entity;
- (b) no member of any of which is a person other than the Holding Entity, another one of the Wholly-owned Entities, a nominee for the Holding Entity or a nominee for another one of the Wholly-owned Entities; and
- (c) all of which are parties to the Deed of Cross Guarantee,

except that, when used in reference to a "Group Entity sold", "Wholly-owned Entities" collectively mean companies and foreign companies:

- (a) all of which are controlled by the Group Entity sold;
- (b) no member of any of which is a person other than the Group Entity sold, another one of the Wholly-owned Entities, a nominee for the Group Entity sold or a nominee for another one of the Wholly-owned Entities; and
- (c) all of which are parties to the Deed of Cross Guarantee.

2 OPERATION OF THIS DEED

- 2.1 This Deed of Cross Guarantee will be of no force and effect until the Holding Entity has submitted an original of this Deed of Cross Guarantee for lodgement at ASIC and has obtained the approval of ASIC for this Deed of Cross Guarantee.

3 CROSS GUARANTEE

- 3.1 Subject to clause 3.4, each Group Entity covenants with the Trustee for the benefit of each Creditor that the Group Entity guarantees to each Creditor payment in full of any Debt in accordance with this Deed of Cross Guarantee.

- 3.2 Each Group Entity agrees with the Trustee that this Deed of Cross Guarantee becomes enforceable in respect of the Debt of a Group Entity ("the Group Entity"):

- (a) upon the winding up of the Group Entity under subsection 459A or paragraph 461(a) or (h) or (j) of the Corporations Law or as a creditors' voluntary winding up under Part 5.5 Division 3 of the Corporations Law; or
- (b) in any other case - if six months after a resolution or order for the winding up of the Group Entity any Debt of a Creditor of the Group Entity has not been paid in full.

- 3.3 Subject to Clause 3.4, the Trustee and each Group Entity acknowledge that the Trustee holds the benefit of the covenants and commitments of each Group Entity made pursuant to this Deed upon trust for each Creditor.

- 3.4 If an Alternative Trustee is named in Part 3 of the Schedule, then:

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- (a) the Trustee covenants with the Alternative Trustee as trustee for the benefit of each Creditor that the Trustee guarantees to each Creditor payment in full of any Debt in accordance with this Deed of Cross Guarantee; and
- (b) for the purposes of this covenant the provisions of this Deed of Cross Guarantee will apply to the Trustee as if it was a Group Entity and was not the Trustee and to the Alternative Trustee as if it was the Trustee.

4 REVOCATION AND RELEASE

4.1 This Deed of Cross Guarantee and the trusts constituted by it may not be revoked or released except as expressly permitted by this Deed.

4.2 If:

- (a) a liquidator, receiver, receiver and manager, controller, or scheme manager or administrator of a company under administration or of a deed of company arrangement is appointed to or to the property of the Group Entity or each of the Group Entities owning shares in a Group Entity (the "Group Entity sold") and that Group Entity or those Group Entities disposes (or dispose) of all issued shares in the Group Entity sold and the Group Entity sold lodges notice of that disposal with ASIC (including details of any Group Entity which is a Wholly-owned Entity of the Group Entity sold); or
- (b) a mortgagee or mortgagees (other than a Group Entity or an Associate of any Group Entity) of shares owned by a Group Entity or by Group Entities in another Group Entity (the "Group Entity sold") disposes (or dispose) of all issued shares in the Group Entity sold and the Group Entity sold lodges notice of that disposal with ASIC (including details of any Group Entity which is a Wholly-owned subsidiary of the Group Entity sold); or
- (c) the Group Entity or Group Entities owning shares in a Group Entity (the "Group Entity sold") disposes of all issued shares in the Group Entity sold and;
 - (i) the directors of the Holding Entity upon disposal certify in writing that the disposal is a bona fide sale and that the consideration for the sale is fair and reasonable; and
 - (ii) a copy of that certificate is lodged by the Holding Entity and by the Group Entity sold with ASIC; and
 - (iii) the Group Entity sold lodges notice of that disposal with ASIC (including details of any Group Entity which is a Wholly owned Entity of the Group Entity sold),

then provided that the disposition is not to an Associate of any Group Entity:

- (d) this Deed of Cross Guarantee shall cease to apply to the Group Entity sold and to any Group Entity which is a Wholly owned Entity of the Group Entity sold; and

d) the Group Entity sold and every Group Entity which is a Wholly-owned Entity of the Group Entity sold will be released from all liability under this Deed of Cross Guarantee including liability:

- (i) arising or accruing prior to or after such disposal; or
- (ii) due to this Deed of Cross Guarantee becoming enforceable prior to or after such disposal against the Group Entity sold or against a Group Entity which is a Wholly-owned Entity of the Group Entity sold; and

(f) each other Group Entity will be released from all liability whatever under this Deed of Cross Guarantee in respect of any Debt of the Group Entity sold or in respect of any Debt of a Group Entity which is a Wholly-owned Entity of the Group Entity sold including liability:

- (i) in respect of any Debt arising or accruing before or after such disposal; or
- (ii) due to this Deed of Cross Guarantee becoming enforceable before or after such disposal against the Group Entity or any Group Entity which is a Wholly-owned Entity of the Group Entity sold; and

(g) the trust constituted by this Deed shall be revoked in respect of the covenants made pursuant to this Deed of Cross Guarantee:

- (i) by the Group Entity sold; and
- (ii) by any Group Entity which is a Wholly-owned Entity of the Group Entity sold.

4.3 A disposal under clause 4.2 may be effected even if:

- (a) this Deed of Cross Guarantee has become enforceable in respect of a Group Entity; or
- (b) the winding up as mentioned in clause 3.2 of any Group Entity has commenced.

4.4 Any of the Group Entities or the Group Entity sold may upon payment of the reasonable costs of the Trustee require the Trustee to execute a Deed containing a release by the Trustee:

- (a) of the Group Entity sold and every Group Entity which is a Wholly-owned Entity of the Group Entity sold in terms similar to paragraph 4.2(e) of this Deed of Cross Guarantee; and
- (b) of each other Group Entity in terms similar to paragraph 4.2(f) of this Deed of Cross Guarantee.

4.5 The Group Entities which are from time to time parties to this Deed of Cross Guarantee may revoke this Deed of Cross Guarantee in respect of any Group Entity or all Group Entities by all executing a Revocation Deed whose effect will be conditional upon:

- (a) the Holding Entity lodging an original of that Revocation Deed with ASIC; and
- (b) each Group Entity giving notice to its Creditors of the Revocation Deed by public advertisement (which may be a joint advertisement by two or more Group Entities) made at any time before or within one month after the date on which the original of the Revocation Deed is lodged with ASIC in a daily newspaper circulating in each State and Territory in which any creditor of the Group Entity is located; and
- (c) there being no winding up as mentioned in clause 3.2(a) of any Group Entity being either:
 - (i) a winding up within six months after the original of the Revocation Deed is lodged with ASIC; or
 - (ii) a winding up whose commencement occurs within six months after the original of the Revocation Deed is lodged with ASIC.

and upon satisfaction of those conditions:

- (d) any Group Entity in respect of which this Deed of Cross Guarantee is revoked by that Revocation Deed (the "Group Entity released") will be released from all liability whatever under this Deed of Cross Guarantee including liability:
 - (i) arising or accruing before or after:
 - (A) execution of the Revocation Deed; or
 - (B) those conditions being satisfied; or
 - (ii) due to this Deed of Cross Guarantee becoming enforceable against the Group Entity released before or after:
 - (A) execution of the Revocation Deed; or
 - (B) those conditions being satisfied; and
- (e) each other Group Entity will be released from all liability under this Deed of Cross Guarantee in respect of any Debt of the Group Entity released including liability:
 - (i) in respect of any Debt arising or accruing before or after:
 - (A) execution of the Revocation Deed; or
 - (B) those conditions being satisfied; or
 - (ii) due to this Deed of Cross Guarantee becoming enforceable against the Group Entity before or after:
 - (A) execution of the Revocation Deed; or
 - (B) those conditions being satisfied; and

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(f) the trust constituted by this Deed of Cross Guarantee shall be revoked in respect of the Covenants of each Group Entity released.

4.6 A Revocation Deed under clause 4.5 may be executed even if:

(a) this Deed of Cross Guarantee has become enforceable in respect of a Group Entity; or

(b) the winding up of a Group Entity has commenced.

4.7 The Group Entities may upon payment of the reasonable costs of the Trustee require the Trustee to be a party to a Revocation Deed and if so required the Trustee must execute the Revocation Deed which shall contain a release by the Trustee:

(a) of the Group Entity released in terms similar to paragraph 4.5(d) of this Deed of Cross Guarantee; and

(b) of the other Group Entities in terms similar to paragraph 4.5(e) of this Deed of Cross Guarantee.

5 ASSUMPTION DEED

5.1 The Holding Entity may by executing an Assumption Deed to which the Trustee and any further controlled entity or controlled entities of the Holding Entity eligible for the benefit of the Class Order are party join a further Group Entity or further Group Entities to this Deed.

5.2 An Assumption Deed will be of no force and effect until the Holding Entity has submitted an original of the Assumption Deed for lodgement at ASIC and has obtained the approval of ASIC for the Assumption Deed.

5.3 Any further Group Entity so added by an Assumption Deed will be taken to have assumed liability under this Deed of Cross Guarantee as if that Group Entity had executed this Deed of Cross Guarantee.

6 DEED POLL

6.1 As a separate covenant by way of Deed Poll each Group Entity agrees with each Creditor that the Group Entity will guarantee to each Creditor payment of any Debt due to the Creditor from any other Group Entity in accordance with this Deed of Cross Guarantee.

7 TRUSTEE AND ALTERNATIVE TRUSTEE

7.1 The only obligations of the Trustee (including the Alternative Trustee if applicable in respect of the Trustee where the Trustee is the Holding Entity or a Group Entity) are:

(a) to act as bare Trustee for the benefit of each Creditor of the Covenants of each Group Entity contained in this Deed of Cross Guarantee;

(b) upon request to assign to any Creditor the benefit of this Deed of Cross Guarantee insofar as it benefits that Creditor (such assignment to be at the cost of the Creditor who must fully indemnify the Trustee);

(c) to permit its name to be used in any demand or notice made or given by or legal proceedings brought by any Creditor seeking to enforce the benefit of this Deed of Cross Guarantee (but the Creditor must fully indemnify the Trustee and provide the Trustee with any reasonable security for costs which the Trustee may require);

(d) upon request to lodge in its name on behalf of any Creditor or Creditors a proof of debt in the winding up of a Group Entity of a claim under this Deed of Cross Guarantee (such proof to be at the cost of the Creditor or Creditors who must fully indemnify the Trustee); and

(e) to execute a release pursuant to clause 4.4 or 4.7 when required to do so.

7.2 The Trustee has no duty to supervise or monitor any Group Entity or to claim or pursue any Debt or (except as provided in clause 7.1) to enforce this Deed of Cross Guarantee.

7.3 The Trustee must execute a release pursuant to clause 4.4 or clause 4.7 when required to do so and the Trustee has no duty to inquire as to the propriety of any Deed of Revocation or of any disposal of shares in a Group Entity.

7.4 The Trustee is entitled to full indemnity from any Creditor for anything done by the Trustee at the request of the Creditor.

7.5 The Trustee may retire and appoint a new Trustee.

8 GENERAL

8.1 Execution of this Deed of Cross Guarantee is not to bar any person or company from disposing of any share in a Group Entity and is not to bar any Group Entity from executing a Revocation Deed at any time and does not amount to a representation by or agreement of any person or any Group Entity to or with any Creditor or other person that this Deed of Cross Guarantee may not be revoked as provided for in its terms.

8.2 This Deed of Cross Guarantee shall be governed by and construed in accordance with the laws of Victoria and each party to this Deed of Cross Guarantee agrees to submit to the non exclusive jurisdiction of the Courts of Victoria.

9 WAIVER

9.1 Each Group Entity agrees with the Trustee for the benefit of each Creditor that:

(a) no Group Entity shall be entitled to:

(i) the benefit of any security or securities now or in the future held or taken or otherwise acquired by a Creditor from a Group Entity;

- (ii) the benefit of any dividend, composition or payment received by any Creditor from any Group Entity under any such security or securities; or
- (ii) provide for or claim demand or receive any such dividend, composition or payment.

(b) If any security given or payment made to a Creditor by a Group Entity or by any other person is avoided or reduced by virtue of any law relating to liquidation, the Creditor shall then be entitled to recover the value or amount of any such security or payment from each Group Entity despite any prior settlement, discharge or release between the Creditor and any Group Entity.

9.2 Each Group Entity agrees with the Trustee for the benefit of each Creditor that no Creditor is under any obligation to:

- (a) give notice to any Group Entity of any amendment of any agreement giving rise to a Debt or of any breach of any such agreement; or
- (b) enforce this Guarantee against all of the Group Entities but may in its absolute discretion at any time and from time to time proceed against any or all of them.

9.3 Each Group Entity agrees with the Trustee for the benefit of each Creditor that the liability of each Group Entity shall not be affected by any one or more of the following (whether or not done or occurring by or with the consent of the Creditor or with the knowledge or consent of any Group Entity):

- (a) any collateral rights or obligations which may exist between any Group Entities;
- (b) any variation or avoidance of any such collateral rights or obligations;
- (c) any other person becoming a guarantor of a Group Entity's obligations and liabilities;
- (d) any other person intended to be bound as a surety in respect of a Group Entity's obligations and liabilities not being or becoming so bound;
- (e) any other Group Entity being released from or ceasing to be bound by this Deed of Cross Guarantee;
- (f) the giving of any release or waiver by any Creditor to any Group Entity;
- (g) the making of any arrangement or compromise by any Creditor with any of the Group Entities;
- (h) delay or failure by any Creditor to enforce this Deed of Cross Guarantee;
- (i) liquidation of any Group Entity or of any surety of a Group Entity;
- (j) the giving of any security by any Group Entity;
- (k) where a Group Entity is a member of any partnership, any change in the membership of such partnership.

9.4 Each Group Entity agrees with the Trustee for the benefit of each Creditor that without the consent of any Group Entity each Creditor may at any time and from time to time without affecting the liability of any Group Entity under this Deed of Cross Guarantee:

- (a) grant to the Group Entity which is the principal debtor of any indulgence or consideration;
- (b) compound with or release the Group Entity which is the principal debtor;
- (c) assent to any assignment to the Trustee for the benefit of Creditors under any scheme or deed of arrangement of the Group Entity which is the principal debtor whether with or without the winding up of the Group Entity which is the principal debtor;
- (d) assent to the appointment of a receiver, official manager, controller, or administrator of a company under administration or a deed of company arrangement of the Group Entity which is the principal debtor; or
- (e) release or discharge or otherwise deal with any property whether real or personal comprised in any security held from the Group Company which is the principal debtor.

9.5 Each Group Entity agrees with the Trustee for the benefit of each Creditor that:

- (a) no failure or delay of a Creditor to exercise any right given to it under this Deed of Cross Guarantee or to insist on strict compliance by the Group Entity which is the principal debtor or any other Group Entity with any obligation in respect of any Debt or under this Deed of Cross Guarantee, and no custom or practice of the Creditor or the Group Entities at variance with the terms of this Deed of Cross Guarantee, will constitute a waiver or variation of each Creditor's right to demand exact compliance with the terms of this Deed of Cross Guarantee.
- (b) any delay or omission of any Creditor to exercise any right arising from a breach of any obligation by a Group Entity will not affect or prejudice any Creditor's rights arising from such breach, or any subsequent breach, or the continuance of any breach; and
- (c) waiver by any Creditor of any particular breach by any Group Entity will not affect or prejudice any Creditor's rights in respect of any subsequent breach of the same or of a different nature.

9.6 Each Group Entity agrees with the Trustee for the benefit of each Creditor that:

- (a) all benefits, compositions and payments received by any Creditor from or on account of any Group Entity including any dividends upon the liquidation of the Group Entity which is the principal debtor or of any Group Entity or from any other person or from the realisation or enforcement of any security, guarantee, or indemnity capable of being applied by any Creditor in or towards satisfaction of a Debt, will be applied as payments in gross;

(b) no dividend or payment received by any Creditor in a liquidation of the Group Entity which is the principal debtor shall prejudice or affect the right of the Creditor to recover the Debt from each Group Entity to the full extent of this Deed of Cross Guarantee.

SCHEDULE
Parties to this Deed of Cross Guarantee

PART 1 GROUP ENTITIES

(1) Holding Company:

ANSETT HOLDINGS LIMITED ACN. 065 117 535

(2) Group Companies (other than the Holding Company) which are as at the date of execution of the Deed eligible for the benefit of the Class Order:

BODAS PTY LTD ACN 002 158 741
MORAE PTY LTD ACN 003 286 440
SKYWEST AVIATION LIMITED ACN 004 444 866

(3) Group Companies (other than the Holding Company) which are as at the date of execution of the Deed ineligible for the benefit of the Class Order:

SKYWEST AIRLINES PTY LTD ACN 008 997 662

PART 2 TRUSTEE

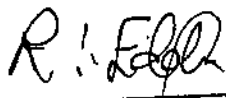
ANSETT AUSTRALIA LIMITED A.C.N. 004 209 410

PART 3 ALTERNATIVE TRUSTEE


Nil

EXECUTED AS A DEED

The Common Seal of ANSETT HOLDINGS LIMITED was affixed in accordance with its Constitution in the presence of:



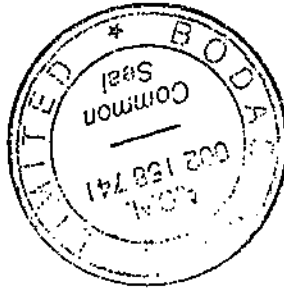
Director



Secretary



The Common Seal of BODAS
PTY LTD was affixed in
accordance with its Constitution
in the presence of:



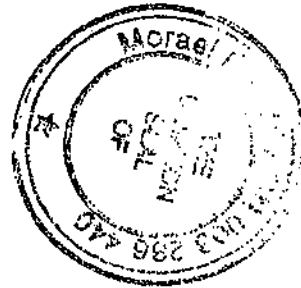



Director




Secretary

The Common Seal of MORAEL
PTY LIMITED was affixed in
accordance with its Constitution
in the presence of:






Director




Secretary

The Common Seal of SKYWEST AVIATION
LIMITED was affixed in
accordance with its Constitution
in the presence of:



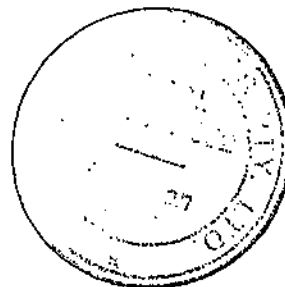


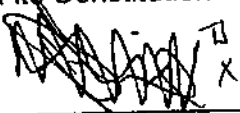
Director



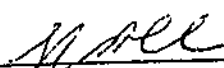
Secretary

The Common Seal of SKYWEST AIRLINES
PTY LIMITED was affixed in accordance
with its Constitution in the presence of:





Director

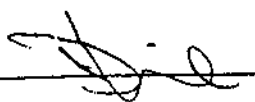


Secretary

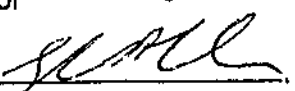


The Common Seal of ANSETT
AUSTRALIA LIMITED was affixed
in accordance with its Constitution
in the presence of:





Director



Secretary



C2

ASIC

Australian Securities & Investments Commission

Regional Office - Victoria
CCU Tower, 485 Latrobe Street, Melbourne
GPO Box 9827 Melbourne VIC 3001
DX 423 Melbourne

Telephone: (03) 9280 3200
Facsimile: (03) 9280 3444

Our Reference: MRC1999/14110

7 July 1999

Amanda Gawne
Assistant Company Secretary
Ansett Australia Limited
Level 5
501 Swanston Street
MELBOURNE VIC 3000

Dear Ms Gawne,

RE: Application for relief pursuant to ASIC Class Order CO98/1418

I refer to your memorandum dated 29 June 1999 in relation to financial report and audit relief sought pursuant to Class Order CO98/1418.

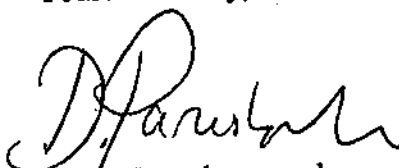
I wish to confirm that the Deed of Cross Guarantee dated 29 June 1999, in which Bodas Pty Ltd, Moracl Pty Ltd and Skywest Aviation Limited have applied for relief has been marked as lodged on the 30 June 1999 and approved on the 7 July 1999 by the Australian Securities & Investments Commission.

I also confirm that the Assumption Deed dated 23 June 1999, in which Wridgways Holdings Limited has applied for relief has been marked as lodged on the 30 June 1999 and approved on the 7 July 1999 by the Australian Securities & Investments Commission.

I enclose an approved copy of the Deed of Cross Guarantee and Assumption Deed.

Please feel free to contact me on (03) 9280-3511 if you have any further queries in relation to this matter.

Yours sincerely,


Danny Paraskevopoulos
Investments and Disclosure