

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-28**" produced and shown to **MARK ANTHONY KORDA** at the time of swearing his affidavit dated 12 September 2005.

Before me:

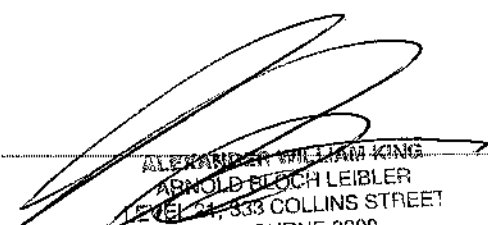

ALEXANDER WILLIAM KING
ARNOLD BLOCH LEIBLER
LEVEL 24, 333 COLLINS STREET
MELBOURNE 3000
A NATURAL PERSON WHO IS A CURRENT
PRACTITIONER WITHIN THE MEANING OF
THE LEGAL PRACTICE ACT 1996

Exhibit "MAK-28"
Affidavit of Mark Francis Xavier Mentha sworn
10 October 2001 (excluding exhibits)

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIAN DISTRICT REGISTRY

NO. V 3045 of 2001

IN THE MATTER OF:

ANSETT AUSTRALIA LIMITED (A.C.N. 004 209 410) & ORS (in accordance with the Schedule attached) (All Administrators Appointed)

And

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

Plaintiffs

FURTHER AFFIDAVIT OF MARK FRANCIS XAVIER MENTHA

DEPONENT: Mark Francis Xavier Mentha.
SWORN: 10 October 2001

On 10 October 2001, I **MARK FRANCIS XAVIER MENTHA**, Chartered Accountant, of 360 Elizabeth Street, Melbourne in the State of Victoria, say on oath:

- 1 I am a Chartered Accountant and a member of the firm Andersen, Chartered Accountants ("**Andersen**"). I make this Affidavit to supplement and correct typographical and other errors which appeared in my Affidavit sworn 8 October 2001 ("**my First Affidavit**"). My First Affidavit was made in haste.
- 2 For ease of reference, I refer to the paragraphs of my First Affidavit in chronological order.

Prepared by:
ARNOLD BLOCH LEIBLER
Lawyers and Advisers
Level 21
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MELBOURNE VIC 3000

Solicitor's Code: 54
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Tel: 9229 9999
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Ref: LZ:DMM:1200685
(L Zwier)

HISTORY OF ANSETT - PARAGRAPH 14 OF MY FIRST AFFIDAVIT

3 I refer to paragraph 14 of my First Affidavit. In paragraph 14, I describe the history of Ansett from information provided to me by Trevor Jensen. I noted that Ansett was the first Australian airline to introduce features such as "e-ticket" and "check-in", "SMS", and "WAP" booking services. "SMS" stands for Short Message Services, an application used on mobile telephones and "WAP" stands for Wireless Application Services.

LETTER OF COMFORT & LIABILITIES OF THE ANSETT GROUP - PARAGRAPHS 23, 55, 79(a) & 125(g) OF MY FIRST AFFIDAVIT

4 In relation to paragraph 23(a) of my First Affidavit, there are no wages owing to Ansett employees. Wages were paid in full by the first Administrators and Mark Korda and me as a result of advances of AUD \$32 million made by Air New Zealand Limited to the first Administrators and us after the commencement of the administration. The payment by Air New Zealand of AUD \$32 million for Ansett employee wages ranks to priority repayment ahead of all other creditors in the Ansett Group Administration. Accordingly, Mark Korda and I negotiated with Air New Zealand Limited for this obligation to be forgiven. Air New Zealand eventually agreed to make this concession. This is reflected in the Memorandum of Understanding. The Memorandum of Understanding provides net benefit to the Ansett Group in excess of AUD \$180 million (that is the cash payment of AUD \$150 million plus the AUD \$32 million priority claims being forgiven) and other intangible benefits.

ANSETT KICK-START – PARAGRAPHS 31, 58, 77 & 118 OF MY FIRST AFFIDAVIT

5 I refer to paragraph 31 of my First Affidavit where I say that Ansett Kick-Start will operate at a trading loss. The projected trading losses relating to Ansett Kick-Start are modest and have been calculated by reference to additional variable costs such as payments for leased aircraft, employees, fuel and so forth. The projected losses of Ansett Kick-Start will not exceed AUD \$15 million. However, Ansett Kick-Start is now trading in excess of the budgeted forecasts and is cash flow positive.

ANSETT MARK II – PARAGRAPHS 34(a), 36 & 130 OF MY FIRST AFFIDAVIT

6 Mark Korda and I intend to use the settlement proceeds to maximise the chances of the Ansett business remaining in existence. If that is not possible, we intend to use the proceeds to maximise the return to creditors. Whilst we are continuing to develop a business model for Ansett Mark II, we expect that any recapitalisation could only occur either pursuant to or consequent upon a Deed of Company Arrangement being considered and voted upon by creditors.

COMMITTEES OF CREDITORS – PARAGRAPH 40 OF MY FIRST AFFIDAVIT

7 The Bureau of Meteorology has told Arnold Bloch Leibler that it claims to be owed \$346,765.82 and not \$31,000. I stress that all the calculations of debt in my First Affidavit were prepared based on information from the creditors. I have not analysed the accuracy of the claims.

TYPOGRAPHICAL ERRORS IN MY FIRST AFFIDAVIT – PARAGRAPHS 67, 98 & 100 OF MY FIRST AFFIDAVIT

- 8 I have also now had an opportunity to check my diary notes. I mixed up dates of certain events.
- (a) The reference in paragraph 67 of my First Affidavit to Friday, 22 September 2001 should be a reference to **Friday, 21 September 2001.**
 - (b) The reference in paragraph 67 of my First Affidavit to Sunday, 24 September 2001 should be a reference to **Sunday, 23 September 2001.**
 - (c) In paragraph 87 of my First Affidavit, the reference to Sunday, 22 September 2001 should be a reference to **Sunday, 23 September 2001.**
 - (d) Wherever in my First Affidavit I refer to events which took place on Thursday, 4 October 2001 the reference should read **Wednesday, 3 October 2001** (eg. in paragraphs 98 and 100 of my First Affidavit);
 - (e) Wherever in my First Affidavit I refer to events which took place on Wednesday, 3 October 2001 the reference should read **Tuesday, 2 October 2001;**
 - (f) I refer to Exhibits "MFXM16" and "MFXM17" of my First Affidavit containing the Minutes of Creditors meeting and Resolution passed

at that meeting. The dates of those Exhibits should read in each case **3 October 2001**;

- 9 The reference to "Brierley" which appears first in paragraph 68 of my First Affidavit is a reference to Brierley Investments Limited which has approximately a 30% shareholding in Air New Zealand.

NEGOTIATIONS WITH AIR NEW ZEALAND

- 10 At paragraph 78 onwards of my First Affidavit and in particular at paragraph 81, I outline the initial discussions with Air New Zealand. The meeting was a "without prejudice" meeting. I am unable to fully set out the history of offer, counter-offer and negotiation. However it involved various offers from Air New Zealand of considerably lower sums on Air New Zealand's part than those that were ultimately agreed to. That negotiation process took in excess of nine (9) hours to complete.

CONDITIONAL RELEASE OF DIRECTORS

- 11 Set out below is a table compiled from ASIC company searches which names the Ansett directors proposed to be released pursuant to the Memorandum of Understanding, identifying the particular Ansett companies, and the dates upon which that person was a director of that company.

Director	Company	Term of Directorship
1. Philip Ralph Burdon	Ansett Holdings Ltd	11/07/00 -
2. Ronald Powell Carter	Ansett Holdings Ltd	11/07/00 -
3. Choong Kong Cheong	Ansett Holdings Ltd	23/08/00 -

Director	Company	Term of Directorship
4. Elizabeth Mary Couatts	Ansett Holdings Ltd	23/08/00 -
5. John Simon Curtis	Ansett Australia Holdings Ltd	27/05/98 - 05/03/01
	Ansett Holdings Ltd	27/05/98 -
	Ansett International Ltd	23/06/00 -
6. Selwyn John Cushing	Ansett Holdings Ltd	11/07/00 -
7. Anthony St George Edmonds	Ansett International Ltd	22/01/00 -
8. Robert Estcourt	Ansett International Ltd	05/09/97 -
9. James Alfred Farmer	Ansett Holdings Ltd	11/07/00 -
10. John Thomas James Kline	Rock-It-Cargo (Aust) Pty Ltd	11/09/01 -
11. Ralph James Norris	Ansett Holdings Ltd	11/07/00 -
12. Mervyn Leonard Peacock	Ansett International Ltd	01/10/96 -
13. Philip John Barnes Rose	Ansett Holdings Ltd	06/12/00 -
14. Michael Jiak Ngee Tan	Ansett Holdings Ltd	23/08/00 -
15. Gregory James Terry	Ansett Holdings Ltd	11/07/00 -
16. William McLeod Wilson	Ansett Holdings Ltd	11/07/00 -
17. Christopher Wright	Rock-It-Cargo (Aust) Pty Ltd	11/09/01 -
18. Arun Amarsi	Ansett Holdings Ltd (alternate director for Cushing)	18/07/01 - 21/08/01 - 21/08/01 -
	Ansett Holdings Ltd (alternate director for Burdon)	
	Ansett Holdings Ltd (alternate director for Terry)	
19. Choon Seng Chew	Ansett Holdings Ltd (alternate director for Cheong)	16/07/01 -
20. Syn Chung Wah	Ansett Holdings Ltd (alternate director for	23/07/01 -

Director	Company	Term of Directorship
21. John Harvey Blair	Tan) 501 Swanston Street Pty Ltd Aeropelican Air Services Pty Ltd Airport Terminals Pty Ltd Aldong Services Pty Ltd Ansett Aircraft Finance Ltd Ansett Australia Holdings Ltd Ansett Australia Ltd Ansett Aviation Equipment Pty Ltd Ansett Carts Pty Ltd Ansett Equipment Finance Ltd Ansett Finance Ltd Bodas Pty Ltd Brazson Pty Ltd Eastwest Airlines (Operations) Ltd Eastwest Airlines Ltd Kendell Airlines (Aust) Pty Ltd Morael Pty Ltd Northern Airlines Ltd Northern Territory Aerial Work Show Group Pty Ltd Sky West Airlines Pty Ltd Skywest Aviation Pty Ltd Skywest Holdings Pty Ltd Skywest Jet Charter Pty Ltd South Centre Maintenance Pty Ltd Spaca Pty Ltd Traveland International (Aust) Pty Ltd Traveland International Pty Ltd Traveland New Staff Pty Ltd Walgali Pty Ltd Westintech Ltd Westintech Nominees Pty Ltd Whitsunday Affairs Pty Ltd Whitsunday Harbour Pty Ltd Wridgways Holdings Ltd	16/02/01 – 08/09/01

Director	Company	Term of Directorship
	Wridgways (Vic) Pty Ltd Traveland Pty Ltd - Hazelton Airlines Ltd Hazelton Air Charter Pty Ltd Hazelton Air Services Pty Ltd	19/3/01 – 8/9/01 30/03/01 – 08/09/01 10/04/01 – 08/09/01
22. George Frazis	501 Swanston Street Pty Ltd Aeropelican Air Services Pty Ltd Airport Terminals Pty Ltd Aldong Services Pty Ltd Ansett Aviation Equipment Pty Ltd Ansett Carts Pty Ltd Bodas Pty Ltd Brazson Pty Ltd Kendell Airlines (Aust) Pty Ltd Morael Pty Ltd Northern Territory Aerial Work Rock-It-Cargo (Aust) Pty Ltd Show Group Pty Ltd Sky West Airlines Pty Ltd Skywest Holdings Pty Ltd Skywest Jet Charter Pty Ltd South Centre Maintenance Pty Ltd Spaca Pty Ltd Traveland International (Aust) Pty Ltd Traveland International Pty Ltd Traveland New Staff Pty Ltd Traveland Pty Ltd Walgali Pty Ltd Whitsunday Affairs Pty Ltd Whitsunday Harbour Pty Ltd Wridgways (Vic) Pty Ltd Hazelton Air Charter Pty Ltd Hazelton Air Services Pty	24/8/01 – 08/09/01

Director	Company	Term of Directorship
	Pty Ltd Airport Terminals Pty Ltd Aldong Services Pty Ltd Ansett Aircraft Finance Ltd Ansett Australia Holdings Ltd Ansett Australia Ltd Ansett Aviation Equipment Pty Ltd Ansett Carts Pty Ltd Ansett Equipment Finance Ltd Ansett Finance Ltd Bodas Pty Ltd Brazson Pty Ltd Eastwest Airlines (Operations) Ltd Eastwest Airlines Ltd Kendell Airlines (Aust) Pty Ltd Morael Pty Ltd Northern Airlines Ltd Northern Territory Aerial Work Show Group Pty Ltd Sky West Airlines Pty Ltd Skywest Aviation Pty Ltd Skywest Holdings Pty Ltd Skywest Jet Charter Pty Ltd South Centre Maintenance Pty Ltd Spaca Pty Ltd Traveland International (Aust) Pty Ltd Traveland International Pty Ltd Traveland New Staff Pty Ltd Walgali Pty Ltd Westintech Ltd Westintech Nominees Pty Ltd Whitsunday Affairs Pty Ltd Whitsunday Harbour Pty Ltd Wridgways Holdings Ltd Wridgways (Vic) Pty Ltd	
	Ansett International Ltd	16/02/01 – 08/09/01

Director	Company	Term of Directorship
29. Lawrence Francis Doolan	Spaca Pty Ltd	23/08/00 – 16/02/01
30. John Laurence Gribble	Aeropelican Air Services Pty Ltd Kendell Airlines (Aust) Pty Ltd Skywest Airlines Pty Ltd Spaca Pty Ltd	01/12/97 – 31/12/00 23/08/00 31/12/00
31. William Keith Herdman	Aeropelican Air Services Pty Ltd (alternate director for Rosalky) Skywest Airlines Pty Ltd (alternate director) Bodas Pty Ltd Kendell Airlines (Aust) Pty Ltd Kendell Airlines (Aust) Pty Ltd (alternate director)	17/08/99 – 16/02/01 21/12/00 – 21/02/01 16/02/01 – 07/09/01 17/08/99 – 16/02/01
32. Trevor George Jensen	Skywest Airlines Pty Ltd	25/08/97 – 16/02/01
33. Donald Moreton Kendell	Aeropelican Air Services Pty Ltd Skywest Airlines Pty Ltd Kendell Airlines (Aust) Pty Ltd	18/10/96 – 31/12/00 21/06/97 – 03/12/00
34. Bey Soo Kiang	Ansett Holdings Ltd (alternate director for Goode)	31/05/01 – 20/09/01
35. Garry Robert Kingshott	Show Group Pty Ltd Traveland International (Aust) Pty Ltd Traveland International Pty Ltd Traveland Pty Ltd Traveland New Staff Pty Ltd	23/12/97 - 05/03/01 23/12/97 – 19/03/01 15/06/99 – 05/03/01
36. Andrew Baxter Miller	501 Swanston Street Pty Ltd Airport Terminals Pty Ltd Aldong Services Pty Ltd Ansett Aircraft Finance Ltd	22/09/00 – 16/02/01

Director	Company	Term of Directorship
	Ansett Australia Ltd Ansett Aviation Equipment Pty Ltd Ansett Carts Pty Ltd Ansett Equipment Finance Ltd Ansett Finance Ltd Brazson Pty Ltd Eastwest Airlines (Operations) Ltd Eastwest Airlines Ltd Morael Pty Ltd Northern Airlines Ltd Northern Territory Aerial Work Pty Ltd Rock-It-Cargo (Aust) Pty Ltd Show Group Pty Ltd Skywest Aviation Ltd Skywest Holdings Pty Ltd Skywest Jet Charter Pty Ltd South Centre Maintenance Pty Ltd Traveland International (Aust) Pty Ltd Traveland International Pty Ltd Traveland New Staff Pty Ltd Walgali Pty Ltd Westintech Ltd Westintech Nominees Pty Ltd Whitsunday Affairs Pty Ltd Whitsunday Harbour Pty Ltd Wridgways Holdings Ltd Wridgways (Vic) Pty Ltd	01/12/97 – 16/02/01 25/08/97 – 16/02/01 22/09/00 – 19/03/01
37. Adam Francis Moroney	Ansett Australia Holdings Ltd	19/01/01 – 05/06/01
38. Allister Currie	501 Swanston Street Pty	22/09/00 – 16/02/01

Director	Company	Term of Directorship
40. Paul van Ryn	Ansett International Ltd	18/02/97 – 22/01/01
41. Wayne Alan Walker	Traveland International (Aust) Pty Ltd	22/09/00 – 16/02/01
	Traveland International Pty Ltd	03/04/00 – 16/02/01
	Traveland New Staff Pty Ltd Traveland Pty Ltd	03/04/00 – 19/03/01
42. Sean Patrick Wareing	Ansett Australia Holdings Ltd Ansett Holdings Ltd	17/07/00 – 01/11/00
43. David James Irvine	501 Swanston Street Pty Ltd Ansett Carts Pty Ltd Westintech Ltd Wesintech Nominees Pty Ltd Wridgways Holdings Limited Wridgways (Vic) Pty Ltd	23/04/93 – 21/08/00
	Airport Terminals Pty Ltd Aldong Services Pty Ltd Ansett Aircraft Finance Ltd Ansett Aviation Equipment Pty Ltd Ansett Equipment Finance Ltd Ansett Finance Ltd	25/11/92 – 21/08/00
	Ansett Australia Ltd	01/03/93 – 21/08/00
	Bodas Pty Ltd	20/08/98 – 21/08/00
	Brazson Pty Ltd Northern Airlines Ltd Walgali Pty Ltd	31/03/93 - 21/08/00
	Eastwest Airlines (Operations) Ltd	21/12/92 – 21/08/00
	Eastwest Airlines Ltd	22/09/95 – 21/08/00
	Morael Pty Ltd	26/09/95 – 21/08/00
	Northern Territory Aerial Work Pty Ltd Rock-It-Cargo (Aust) Pty Ltd	13/03/96 – 21/08/00

Director	Company	Term of Directorship
	Skywest Aviation Ltd Spaca Pty Ltd Skywest Holdings Pty Ltd Skywest Jet Charter Pty Ltd Aeropelican Air Services Pty Ltd (alternate director) Kendell Airlines (Aust) Pty Ltd (alternate director) Skywest Airlines Pty Ltd (alternate director) South Centre Maintenance Pty Ltd Whitsunday Affairs Pty Ltd Whitsunday Harbour Pty Ltd Show Group Pty Ltd Traveland Pty Ltd (alternate director)	11/12/96 – 21/08/00 17/08/99 – 21/08/00 26/08/94 – 21/08/00 28/04/94 – 21/08/00 09/03/93 – 21/08/00 17/08/99 – 11/08/00
44. Craig Alexander Wallace	Aeropelican Air Services Pty Ltd Ansett Aircraft Finance Ltd Ansett Australia Limited Ansett Equipment Finance Ltd Ansett Finance Ltd Eastwest Airlines (Operations) Ltd Eastwest Airlines Ltd Kendell Airlines (Aust) Pty Ltd Northern Airlines Ltd Skywest Airlines Pty Ltd Skywest Aviation Ltd Westintech Limited Wridgways Holdings Ltd	17/08/99 – 25/08/00
45. Robert Harry Nazarian	Ansett Australia Holdings Ltd Ansett Holdings Ltd Ansett International Ltd	01/10/96 – 17/07/00
46. James McCrea	Ansett Australia Holdings Ltd Ansett Holdings Ltd Ansett International Ltd	01/10/96 – 07/07/00

Director	Company	Term of Directorship
	Ansett Australia Ltd	23/06/00 – 07/07/00
47. Peter John Macourt	Ansett Australia Holdings Ltd	21/08/91 – 23/06/00
	Ansett Holdings Ltd	29/06/94 – 23/06/00
	Ansett International Ltd	25/06/96 – 23/06/00
48. Kenneth Edward Cowley	Ansett Australia Holdings Ltd	05/09/88 – 23/06/00
	Ansett Australia Ltd	27/07/92 – 23/06/00
	Ansett Holdings Ltd	29/06/94 – 23/06/00
	Ansett International Ltd	06/07/93 – 23/06/00
49. Roderick Ian Eddington	Ansett Australia Holdings Ltd	08/01/97 – 28/04/00
	Ansett Australia Ltd	
	Ansett Holdings Ltd	04/02/97 – 28/04/00
50. Paul Craig Birch	Show Group Pty Ltd	17/08/99 – 11/08/00
51. Lyell Francis Strambi	Traveland International (Aust) Pty Ltd	17/08/99 – 11/08/00
	Traveland International Pty Ltd	
	Traveland New Staff Pty Ltd	
	Traveland Pty Ltd	
52. Sean Gould Williams	Traveland Pty Ltd (alternate director for Walker)	01/07/00 – 19/03/01
53. K Turnbull	Not named as director in ASIC search	
54. William Eric Jacobson	Not named as director in ASIC search	
55. Huang Cheng Eng	Not named as director in ASIC search	
56. Peter James Crogan	Hazelton Airlines Ltd	26/10/00 – 30/03/01
	Hazelton Air Charter Pty Ltd	
	Hazelton Air Services Pty Ltd	
57. Norman William Fricker	Hazelton Airlines Ltd	28/11/97 - 30/03/01
	Hazelton Air Charter Pty Ltd	
	Hazelton Air Services Pty Ltd	

Director	Company	Term of Directorship
58. Desmond Livingstone Nicholl	Hazelton Airlines Ltd Hazelton Air Charter Pty Ltd Hazelton Air Services Pty Ltd	29/03/96 – 30/03/01
59. Stanley James Quinlivan	Hazelton Airlines Ltd Hazelton Air Charter Pty Ltd Hazelton Air Services Pty Ltd	05/09/96 – 30/03/01
60. Bradford Frederick McInnes Stuart	Hazelton Airlines Ltd Hazelton Air Services Pty Ltd	26/11/93 – 16/05/01
	Hazelton Air Charter Pty Ltd	22/06/94 – 16/05/01

MEMORANDUM OF UNDERSTANDING – PARAGRAPH 114(d) OF MY FIRST AFFIDAVIT

12 At paragraph 114(d) of my First Affidavit, I attempted to summarise my understanding of how the releases contained in the Memorandum of Understanding operate. On reflection, while I believe that my interpretation is correct, it is confusing and can be restated as follows:

The Administrators and the Hazelton Voluntary Administrator release the Air New Zealand Group and all of the directors from all actions claims and demands arising out of and or relating directly or indirectly to:

- (a) The management or affairs of the Ansett Group;
- (b) Any claims arising at common law in equity or pursuant to Statute, including but not limited to the *Corporations Act*, the *Corporations Law* and the *Trade Practices Act*;

- (c) Any claims arising in the administration of the Ansett Group;
- (d) Any transactions or dealings between any company in the Ansett Group and any company in the Air New Zealand Group.

However, the releases do not cover:

- (a) Failure by the Air New Zealand Group or the directors to exercise their powers and discharge their duties in good faith in the best interests of the Ansett Group and for a proper purpose (within the meaning of Section 181 of the Corporations Act) or reckless conduct or improper use of the position; and
- (b) Insolvent trading type claims against the directors the Air New Zealand Group as holding company if the Ansett Group is placed into liquidation (Sections 588M and 588V of the Corporations Act); and
- (c) If any of the representations and warranties contained in clause 22 of the Memorandum of Understanding are breached.

PRESENTATION PREPARED BY ANDERSENS IN RELATION TO THE SALE OF ANSETT ASSETS - CONFIDENTIAL EXHIBIT "MFXM18A"

13 I refer to paragraph 120 of my First Affidavit and to Exhibit "MFXM18A" which is a true copy of the Presentation prepared by Andersens in relation to the sale of the Ansett assets. This Exhibit is confidential as it was provided

to some of the five interested purchasers of Ansett assets on a confidential basis and these persons were required to sign strict confidentiality undertakings.

RECOMMENDATION – PARAGRAPH 129 OF MY FIRST AFFIDAVIT

14 I refer to paragraph 129 of my First Affidavit where I say that it is in the interests of all Ansett "stakeholders" for this transaction to proceed. The reference to "stakeholders" was intended to be a reference to "creditors" and persons who may become creditors, such as the Commonwealth Government.

CORRESPONDENCE FROM EMPLOYEES & OTHER INTERESTED PARTIES

15 Peter Duffy, a non-union employee creditor of Ansett Australia Limited and a member of the Committees of Creditors sent the following email, omitting formal parts to Leon Zwier of Arnold Bloch Leibler on 10 October 2001:

"I am writing to express my support for the application in the Federal Court tomorrow (No V3045 of 2001).

I am concerned by comments raised in this mornings' newspapers by the Minister for Transport that the Federal Government requires the funds raised by this deal to be applied immediately against employee entitlements.

As an employee currently stood down and not earning an income, no issue is dearer to my heart than the full settlement of all outstanding

entitlements. I remain convinced however that the Administration strategy outlined during the Committee meeting last Wednesday and re-affirmed in the affidavit material provided to me yesterday represents the best chance of success for Ansett and all creditors. The reported comments by the Minister would appear to conflict with the commercial strategy being pursued by the Administrators.

Given my status as a 'non-union' employee member of the Committee of Creditors, should you believe that a useful purpose would be served by my filing an affidavit outlining my position in support of tomorrows' application, I would be delighted to assist. I can be contacted either via return e-mail or on 0407 526 212."

- 16 I am told by Leon Zwier that in the afternoon of 9 October 2001, Arnold Bloch Leibler received a letter from NYST Lawyers who act on behalf of a number of Ansett employees seeking a copy of the Application and Affidavits filed by me. Set out below omitting formal parts is Arnold Bloch Leibler's response dated 9 October 2001:

"We refer to your letter dated 9 October 2001 received by facsimile at approximately 4.20 p.m. today.

We confirm that we act for the Administrators of the Ansett Group (excluding the Hazelton companies).

We also confirm that the substantive hearing of the Application to the Federal Court of Australia to approve the terms of the Memorandum of Understanding dated 3 October 2001 or orders or directions to a similar effect will be heard at the Federal Court in Melbourne on Thursday 11 October 2001 at 10.00 a.m. (although this may change).

We enclose a copy of a Notice which was placed in all major Australian newspapers today advising interested parties that a copy of the relevant Court Applications and non-confidential supporting affidavit material will be posted on the following websites:

- <http://www.ansett.com.au/administrator>
- <http://www.abl.com.au/ansett>

The documents you have requested in your letter are now available on these websites and have been available since yesterday evening. As you will appreciate, due to the voluminous nature of this material, the fastest and most expeditious way for you to access and obtain copies of the documents you have requested is to obtain them from the above websites."

17 I am told by Leon Zwier and believe that Arnold Bloch Leibler despatched by courier to all members of the Committees of Creditors the following documents on the mornings of Tuesday, 9 October 2001 and Wednesday, 10 October 2001:

Material filed by Ansett Administrators – (Tuesday 9 October 2001)

- (a) Federal Court Application No. V3045 of 2001;

- (b) Affidavit of Mark Francis Xavier Mentha sworn 8 October 2001 and exhibits (excluding confidential exhibits);
- (c) Letter of Comfort dated 8 August 2001.

Material filed by Hazelton Administrators

- (a) Affidavit of Michael Humphris sworn 8 October 2001 – (Tuesday, 9 October 2001);
- (b) Affidavit of Michael Humphris sworn 9 October 2001 – (Wednesday, 10 October 2001);

Material filed by Air New Zealand – (Wednesday, 10 October 2001)

- (a) Affidavit of James Alfred Farmer sworn 9 October 2001 with exhibits (save for pages 18 & 39 of that Affidavit, which were omitted from the copies served by courier, but which pages I am advised by Leon Zwier will be delivered by courier later today);
- (b) Affidavit of Robert Stuart McDonald sworn 9 October 2001 (excluding confidential exhibits);
- (c) Affidavit of Adam Francis Moroney sworn 9 October 20001;
- (d) Affidavit of Anthony John Waller sworn 9 October 2001 with exhibits;
- (e) Affidavit of George Roger Wayne France sworn 9 October 2001 with exhibits.

18 I am told by Leon Zwier that advertisements were placed in the following newspapers on Monday, 8 October 2001 and Tuesday, 9 October 2001:

- (a) The Age;
- (b) The Australian;
- (c) The Financial Review;
- (d) The Western Australian;
- (e) The Adelaide Advertiser;
- (f) The Hobart Mercury;
- (g) The Northern Territory News;
- (h) The Brisbane Courier Mail;
- (i) The Canberra Times;
- (j) The Melbourne Herald Sun;
- (k) The Sydney Morning Herald;
- (l) The Sydney Daily Telegraph.

("the Advertisements").

The form of the Advertisements was as follows (there are some minor difference in wording between them):

"Important notice by Administrators of the Ansett Group and Hazelton.

On 3 October 2001 a Memorandum of Understanding (MOU) was entered into between parties, including the Administrators of Ansett and Hazelton and Air New Zealand Group (Air NZ). The MOU is conditional upon the Federal Court of Australia approving the terms of the MOU or making orders or directions to the same effect on or before 12 October 2001, or such other date as all the parties agree in writing.

A further term of the MOU requires the Administrators to serve a copy of the Federal Court Application and non-confidential supporting Affidavit material on key stakeholders, including priority creditor representatives, lessor creditor representatives, the Committee of Creditors and others.

The substantive hearing of the Application is scheduled to take place at the Federal Court in Melbourne on Thursday, 11 October 2001, although this may change.

If you are owed money by Ansett or Hazelton, or if you are a ticket holder, or have points in Ansett's Global Rewards program, or if for another reason you have an interest in the above proceedings, copies of the Court Application and supporting Affidavits can be viewed on, and copies printed from, the following websites from Monday 8 October 2001:

