



KordaMentha

Ansett Group Non-Asset Holding Companies

(Subject to Deed of Company Arrangement)

Special Purpose Report to Creditors in Relation to Pooling

17 August 2006



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1 Introduction

This is a special purpose report to creditors of the following companies (“**Non-Asset Holding Companies**”) in relation to the proposed “pooling” of those companies into Ansett Australia Limited (ACN 004 209 410) (subject to Deed of Company Arrangement) (“**AAL**”).

- 501 Swanston Street Pty Ltd (ACN 005 477 618)
- Airport Terminals Pty Ltd (ACN 053 976 444)
- Aldong Services Pty Ltd (ACN 000 258 113)
- Ansett Aircraft Finance Limited (ACN 008 643 276)
- Ansett Australia and Air New Zealand Engineering Services Limited (ACN 089 520 696)
- Ansett Carts Pty Ltd (ACN 055 181 215)
- Ansett Equipment Finance Limited (ACN 006 827 989)
- Ansett Finance Limited (ACN 006 555 166)
- Bodas Pty Ltd (ACN 002 158 741)
- Brazson Pty Ltd (ACN 055 259 008)
- Eastwest Airlines (Operations) Limited (ACN 000 259 469)
- Eastwest Airlines Limited (ACN 000 063 972)
- Morael Pty Ltd (ACN 003 286 440)
- Northern Airlines Limited (ACN 009 607 069)
- Northern Territory Aerial Work Pty Ltd (ACN 009 611 321)
- Rock-It-Cargo (Aust) Pty Ltd (ACN 003 004 126)
- South Centre Maintenance Pty Ltd (ACN 007 286 660)
- Spaca Pty Ltd (ACN 006 773 593)
- ANST Travel Pty Ltd (formerly Traveland Pty Ltd) (ACN 000 240 746)
- ANST Travel International Pty Ltd (formerly Traveland International Pty Ltd) (ACN 000 598 452)
- Traveland International (Aust) Pty Ltd (ACN 000 275 936)
- Traveland New Staff Pty Ltd (ACN 080 739 037)
- Walgali Pty Ltd (ACN 055 258 921)
- Westintech Limited (ACN 009 084 039)
- Westintech Nominees Pty Ltd (ACN 009 302 158)
- Whitsunday Affairs Pty Ltd (ACN 009 694 553)
- Whitsunday Harbour Pty Ltd (ACN 010 375 470)

- Wridgways (Vic) Pty Ltd (ACN 004 153 413)
 - Wridgways Holdings Limited (ACN 004 449 085)
 - ANST Westsky Aviation Pty Ltd (formerly Skywest Aviation Pty Ltd) (ACN 004 444 866)
 - ANST Westsky Jet Charter Pty Ltd (formerly Skywest Jet Charter Pty Ltd) (ACN 008 800 155)
 - ANST Westsky Holdings Pty Ltd (formerly Skywest Holdings Pty Ltd) (ACN 008 905 646)
- (all subject to Deed of Company Arrangement)

This report has been prepared pursuant to clause 18.4 of the Deeds of Company Arrangement (“**DOCAs**”) which govern each of the Non-Asset Holding Companies.

We have convened meetings of creditors of each of the Non-Asset Holding Companies to enable creditors to consider resolutions:

- to “pool” the assets of, and claims against, each Non-Asset Holding Company into AAL (“**Pooling**”); or,
- to continue the administration of each Non-Asset Holding Company in accordance with its DOCA in its current form; or,
- to end the administration of each Non-Asset Holding Company by terminating its DOCA and winding up the Company (“**No Pooling**”).

1.1 Pooling

Pooling is a shorthand way of describing the legal process which enables the assets and liabilities of some or all of the companies in an insolvent group of related companies to be merged into one of those companies, thereby simplifying the administration of the insolvent group of related companies.

For the Ansett Group, pooling would involve the assets of some or all of the various Ansett Group companies and trusts (“**Ansett Group**”, as listed in Appendix One), and creditors’ claims against those Ansett Group companies and trusts, being merged into one Ansett Group company (namely, AAL), thereby allowing a “pooled” group of Ansett Group creditors to make claims against a “pooled” group of Ansett Group assets.

1.2 Non-Asset Holding Company Creditor Meetings

Meetings of creditors of each Non-Asset Holding Company will be held at the Mercure Hotel Melbourne (Flinders Room), 13 Spring Street, Melbourne, Victoria on **31 August 2006 at 10am** (each a “**Non-Asset Holding Company Creditor Meeting**”).

A copy of the notice of the Non-Asset Holding Company Creditor Meetings is included in Appendix Two to this report.

1.3 Other Ansett Group creditor meetings

We have convened meetings of other Ansett Group companies to be held at the same time and place as the Non-Asset Holding Company Creditor Meetings.

Like creditors of the Non-Asset Holding Companies, the creditors of the other Ansett Group companies will consider whether or not to pool the company of which they are a creditor. We have prepared reports to creditors of the other Ansett Group companies for them to consider.

We have recommended to all Ansett Group creditors that they vote in favour of pooling, except where our duties and obligations as administrators prevent it.

1.4 Ansett Group today

The Ansett Group today comprises 41 companies and trusts. We are the administrators of the companies and control the trusts.

The value of the assets of the Ansett Group available to pay claims is estimated to be not less than \$640 million.

The value of claims against the Ansett Group at the commencement of the administrations is estimated to be more than \$5.2 billion. This consists of amounts owed to former Ansett Group employees (“**Employees**”) of approximately \$760 million and amounts owed to other creditors (“**Other Creditors**”) of more than \$4.5 billion.

The amount still owing to Employees is approximately \$156.4 million. In addition, the Commonwealth of Australia is owed approximately \$100.0 million for interim payments made to Employees during the course of the administrations (“**Commonwealth**”).

The Employees and the Commonwealth are entitled to be paid their claims before Other Creditors.

1.5 Estimated impact of pooling

If the Ansett Group as a whole is pooled, we estimate:

- The amount of cash which will become immediately available to pay Employees and the Commonwealth is \$75 million.
- Creditors of the Non-Asset Holding Companies will receive no payments from the Non-Asset Holding Companies’ administrations or from the Ansett Group administrations overall.

1.6 Estimated impact of not pooling

If the Ansett Group as a whole is not pooled, we estimate:

- The amount of cash which will become immediately available to pay Employees and the Commonwealth is \$ nil.

- Creditors of the Non-Asset Holding Companies will receive no payments from the Non-Asset Holding Companies' administrations or from the Ansett Group administrations overall.
- We will continue to separately administer each of the Ansett Group companies and trusts. We estimate that the total additional costs which will be incurred across the Ansett Group to separately administer the Ansett Group companies and trusts (“**Additional Administration Costs**”) will be between \$14.5 million and \$26.5 million.
- The Additional Administration Costs will be paid (to us, as administrators, our lawyers and continuing Ansett Group employees, etc) over the next few years, ultimately to the detriment of the vast majority of Employees and the Commonwealth.

1.7 Voting Directions

In 2005 we made an application to the Federal Court of Australia regarding pooling.

As a result of the application, we obtained Court approval to vote the Ansett Group intercompany debts in the Non-Asset Holding Companies in favour of Pooling. We also obtained Court approval to vote our casting vote at the Non-Asset Holding Company Creditor Meetings in favour of Pooling.

1.8 Our recommendations

We estimate that creditors of the Non-Asset Holding Companies will receive no payments, whether or not all or any of the Non-Asset Holding Companies is Pooled.

Pooling the Ansett Group as a whole will result in substantial cost savings which is to the benefit of the vast majority of Employees, and the Commonwealth.

We estimate that creditors of the Non-Asset Holding Companies will receive no payments if the Non-Asset Holding Companies are wound up.

Accordingly, we recommend creditors of the Non-Asset Holding Companies vote in favour of Pooling.

Our recommendations are based on assumptions which are explained in more detail throughout this report.

This introduction is a summary only. We recommend you read this report carefully and obtain advice about it as you see fit.

2 Report about the Non-Asset Holding Companies' business, property, affairs and financial circumstances

2.1 Statement of Financial Position

The Non-Asset Holding Companies have no net realisable assets, excluding net Ansett Group intercompany receivables in some of the Non-Asset Holding Companies.

At the date of administration, the Non-Asset Holding Companies were dormant, or acted as holding or trustee companies.

2.2 Ansett Group Intercompany Balances

Most of the Non-Asset Holding Companies have an Ansett Group intercompany receivable or payable position. However, the Ansett Group companies that potentially could receive payments on account of intercompany receivables have no third party Other Creditors and, as such, the payments would simply “flow through” the relevant Ansett Group company directly or indirectly back to either AAL or Ansett Australia Holdings Limited (subject to Deed of Company Arrangement) (“AAHL”), out of which we estimate the Employees and the Commonwealth, but not Other Creditors, would receive payments.

2.3 No Return to third party Other Creditors

There are no assets available to pay third party Other Creditors of any of the Non-Asset Holding Companies. Accordingly, third party Other Creditors will receive no payments whether or not the Non-Asset Holding Companies pool.

2.4 Company Specific Information re: Non-Asset Holding Companies

Company specific information is included below for only two of the Non-Asset Holding Companies. We have not provided further information on other companies as there are no funds available to pay third party Other Creditors in these companies.

2.4.1 ANST Travel Pty Ltd (formerly Traveland Pty Ltd) (ACN 000 240 746) (subject to Deed of Company Arrangement) (“Traveland”)

Traveland’s business was sold to Internova Travel Pty Ltd (“**Internova**”) for \$0.5 million on 23 September 2001. Assets transferred to Internova as part of the sale included considerable goodwill, systems, branding, IP, plant and equipment, leases, joint venture contracts and books and records. Further, Internova assumed approximately \$6 million of Traveland employee entitlements. However, Traveland retained its book debts.

We have collected Traveland’s book debts. However, there is an issue as to the beneficial ownership of those funds. Traveland holds some or all of those funds on trust for third party claimants.

Traveland is involved in continuing litigation. The litigation is commercially sensitive and, as such, details are not provided in this report.

Regardless of the outcome of the litigation, we estimate that the net asset position of Traveland is \$ nil as there are significant Additional Administration Costs likely to be incurred if Traveland is not Pooled. As such, we estimate that even if Traveland creditors do not approve Pooling, there will still be no funds available to pay Traveland's creditors.

2.4.2 501 Swanston Street Pty Ltd (subject to a Deed of Company Arrangement) ("501 Swanston Street")

Although 501 Swanston Street is the registered owner of certain property, that property is held on trust for other parties. 501 Swanston Street owns no assets available for payment to Other Creditors.

2.5 Claims

In a No Pooling scenario the net assets of each of the Non-Asset Holding Companies with third party Other Creditors is \$ nil. Accordingly, there are no funds available to pay third party Other Creditors in any of those companies. For that reason we have not set out details of creditor claims against each of the Non-Asset Holding Companies in this report.

We have not admitted or otherwise conceded the validity of any of the above claims. We have not conducted a formal proof of debt process for the Non-Asset Holding Companies.

No payments have been made to Other Creditors of the Non-Asset Holding Companies to date.

2.6 Winding Up

If creditors do not vote in favour of Pooling we recommend that creditors vote in favour of continuing the Non-Asset Holding Companies' administrations in accordance with the DOCAs in their current form and vote against terminating the DOCAs and winding up the Non-Asset Holding Companies. We estimate that it would not be in the interests of creditors to wind up the Non-Asset Holding Companies because winding up the Non-Asset Holding Companies is likely to be more costly than continuing the administration of the Non-Asset Holding Companies.

2.7 Previous Reports to Creditors of the Ansett Group

We have provided the following reports and information to Ansett Group creditors during the course of the Ansett Group administrations.

- First Report to Creditors (16 January 2002)
- Second Report to Creditors (15 March 2002)
- Third Report to Creditors (16 September 2002)
- Fourth Report to Creditors (31 March 2004)

- Fifth Report to Creditors (31 March 2005)
- Sixth Report to Creditors (31 March 2006)
- 81 updates to the Ansett Committees of Creditors
- 46 updates to Employees

Regular meetings have been held with key stakeholders, including the Ansett Committees of Creditors, and Employee and Commonwealth representatives.

Detailed additional reports have been provided to Employee representatives and the Commonwealth about matters particularly relevant to those creditors.

3 The Pooling Application and our estimates, opinions and recommendations about pooling the entire Ansett Group

3.1 Pooling Application

In June 2005 we made an application to the Federal Court of Australia (“**Court**”) in connection with the proposed pooling of the Ansett Group as a whole (“**Pooling Application**”);

In previous reports to creditors we advised that, in due course, Ansett Group creditors would be asked to vote at meetings of creditors about whether to place the Ansett Group companies into liquidation or to vary the Ansett Group DOCAs to effect pooling.

In the Pooling Application we presented evidence to the Court as to why, in our opinion, the Ansett Group as a whole should be pooled and, to that end, told the Court that we would recommend pooling to Ansett Group creditors. Among other things, we sought the Court’s permission to vote in favour of certain pooling resolutions, on behalf of Ansett Group companies or trusts which are creditors of other Ansett Group companies, at meetings of Ansett Group creditors to be convened to consider pooling resolutions (“**Voting Directions**”).

The Pooling Application was heard on 24 October 2005. On 22 March 2006 the Court published written reasons for judgment in the Pooling Application. In summary, the Court:

- a. stated, based on the evidence we presented to the Court, that our pooling proposal for the Ansett Group as a whole “*is sensible and advantageous to most of the [Ansett Group] creditors from a practical point of view*”;
- b. despite that, declined to give us the Voting Directions, pending our presenting further evidence to the Court about the potential disadvantages of pooling to a small minority of Ansett Group creditors, following which the Court would be likely to reconsider our request for the Voting Directions; and
- c. approved a deed of compromise between us and some of the creditors (“**Bank Creditors**”) of Ansett Aviation Equipment Pty Ltd (subject to Deed of Company Arrangement) (“**AAE**”), which compromise facilitated the pooling of AAE’s assets into AAL. The Court also directed that we, as administrators of the Ansett Group companies which are parties to that deed, may properly perform and give effect to that deed (“**AAE Pooling Compromise Deed**”).

Copies of the documents filed with the Court in the Pooling Application (except confidential documents) are available via the internet, at the Ansett websites, which are:

- a. www.ansett.com.au
- b. www.kordamentha.com
- c. www.abl.com.au (go to the “Ansett” page)

Appendix Three to this report is a list of those documents.

Various non-Ansett Group parties participated in the Pooling Application, including the Commonwealth, the Australian Securities and Investments Commission (“ASIC”), the Australian Council of Trade Unions (“ACTU”) and affiliated unions, and each of the Bank Creditors.

To ensure that Ansett Group creditors’ interests were fully considered by the Court in the Pooling Application, we identified an Ansett Group creditor whose interests may be adversely affected by pooling to act as a “contradictor” to the Pooling Application and to represent the interests of all other creditors who may be adversely affected by pooling. WTH Pty Ltd, trading as “Avis Australia”, a creditor of several Ansett Group companies, agreed to act as contradictor (“**Contradictor**”).

As is usual in these sorts of applications, the Ansett Group indemnified the Contradictor for its legal costs to oppose the Pooling Application, and agreed to indemnify all of the other parties to the Pooling Application for their legal costs in relation to the Pooling Application.

Each of the parties made submissions to the Court. In summary, the parties’ submissions at the hearing of the Pooling Application were as follows:

The Commonwealth

The Commonwealth supported the making of the orders and directions we sought (“**Orders**”). The Commonwealth submitted that pooling the Ansett Group companies into AAL would be commercially appropriate, would mean that the vast majority of Ansett Group creditors would be better off, and would be likely to lead to substantial savings in administration and legal costs.

ASIC

ASIC declined to make submissions on the merits of the Pooling Application but submitted that the Orders as sought were appropriate, if the Court decided that pooling was appropriate.

ACTU and affiliated unions

The ACTU and affiliated unions supported the making of the Orders because, for the vast majority of Employees (over 99% of them, on our estimation), pooling will produce a better result for those Employees than not pooling.

Contradictor

The Contradictor was specifically asked to oppose the Pooling Application, which it did. It submitted to the Court that our decision to exercise Ansett Group intercompany votes, and casting votes, in favour of pooling resolutions at creditors’ meetings of those Ansett Group companies and trusts whose creditors are likely to be worse off as a result of pooling would be contrary to the interests of those creditors and should not be approved or sanctioned by the Court. The Court agreed with the Contradictor’s submission and, as noted above, invited us to present further evidence on this point before it would further consider giving us the Voting Directions.

Bank Creditors

Each of the Bank Creditors supported the making of the Orders.

Following the 22 March 2006 judgment, we obtained orders from the Court permitting us to present further evidence to the Court as to why it should give us the Voting Directions.

In May 2006 we presented further evidence to the Court about the potential disadvantage to a small minority of Ansett Group creditors if the Ansett Group as a whole is pooled.

At the end of May 2006 the Court granted us the Voting Directions in relation to the Non-Asset Holding Companies. The Voting Directions will allow us, as administrators of those 32 companies, to vote in favour of Pooling at the Non-Asset Holding Company Creditor Meetings. Further, we indicated to the Court that, at this stage, we would not prepare and present further detailed evidence to the Court (at significant cost, and potential delay) about the potential disadvantages of pooling to a small minority of Ansett Group creditors. Instead, we would shortly convene meetings of the Ansett Group creditors and present further detailed information directly to those creditors so that they could vote on pooling, sooner rather than later.

3.2 Reasons why we recommend that the Ansett Group as a whole be pooled

Our reasons for seeking the orders and Voting Directions are set out in the affidavits of Mark Korda sworn 12 September, 30 September and 13 October 2005 and 15 May 2006, in the Pooling Application (all of which are available on the Ansett websites).

In summary:

- a. Historically, the Ansett Group was in many respects operated as a single business, not as separate entities, as evidenced by:
 - i. provision of cash by some Ansett Group companies to other Ansett Group companies without the taking of security or funds being repaid;
 - ii. sharing of employees between various Ansett Group companies in circumstances where no charges were raised by the employer (or apparent employer) company against the recipient company and no formal or documented arrangements existed to govern such sharing;
 - iii. sharing of numerous Ansett Group assets, in circumstances where the “asset owning” (or apparently “asset owning”) companies either did not levy charges, or did not levy charges at commercial rates, to the recipient companies for the use of those assets, such assets including the Ansett Flight Simulator Centre, Ansett Group brands, trademarks and other intellectual property, information technology software applications and programs, Ansett Group headquarters located at 501 Swanston Street at the northern end of the Melbourne CBD (“**Head Office**”) and adjoining properties located at 465-

475 and 489 Swanston Street and 20-32 Franklin Street (“**Other Ansett CBD Properties**”);

- iv. complex cross-Ansett Group leasing and financing arrangements in relation to the use and operation of numerous Ansett Group aircraft;
 - v. treatment of the Ansett Group as a whole for the purposes of taxation, in circumstances where Ansett Group income tax returns were prepared and tax losses transferred between Ansett Group companies without adjustment of inter-company loan balances.
- b. Because the Ansett Group was in many respects operated as a single business, the Group as a whole would need to spend very significant time and costs to calculate “charge-backs” as between various Ansett Group companies. “Charge-backs” may need to be raised for the pre-administration use by some Ansett Group companies of particular assets and/or tax benefits belonging to, and of personnel employed by, other Ansett Group companies. There is no guarantee of accurate, or even fair and equitable results from the “charge-backs” process. This issue is directly linked to the Ansett Group’s intercompany loans position and problems. To the extent pre-administration “charge-backs” were actually raised within the Ansett Group, those “charge-backs” were normally reflected in Ansett Group company intercompany loan accounts. The Ansett Group has intercompany loan transactions to a total value of approximately \$3.3 billion. It follows that any “charge-backs” which might now need to be raised would affect the current intercompany loan balances.
- c. In our opinion it is impracticable and, in some cases, impossible for us determine which Ansett Group companies owned the following Ansett Group assets, or parts of them:
- i. certain aircraft and engines; and
 - ii. information technology systems and software.
- d. The operation of certain deeds of cross-guarantee affect many Ansett Group companies.
- e. If pooling does not occur, significant time and costs will be required to raise “charge-backs” as between Ansett Group companies for the post-administration use by some Ansett Group companies of particular assets and/or tax benefits belonging (or apparently belonging) to, and personnel employed by other Ansett Group companies.
- f. If pooling does not occur we will need to undertake an apportionment of certain costs incurred in the administrations, those costs having so far been funded out of AAL.
- g. If pooling does not occur the time and costs which would be required to resolve (if possible) various Ansett Group tax issues would be enormous, without guarantee of accurate, or even fair and equitable results.
- h. If pooling does not occur very significant time and costs will be incurred in conducting a proof of debt process for particular Ansett Group companies.

- i. In our opinion it is impracticable, if not impossible, for us to apportion between the Ansett Group companies and trusts the monies received by the Ansett Group under the Air New Zealand memorandum of understanding entered into in October 2001 (“MOU Monies”) without seeking the Court’s directions and orders or putting the issue to the relevant Ansett Group creditors for consideration. In any event, we apprehend that were we to purport to allocate the MOU Monies without first putting the issue to the relevant Ansett Group creditors, those creditors who thought themselves adversely affected by our apportionment decisions may commence legal proceedings in relation to our allocations. If past experience is any guide, such litigation would be extremely expensive and time consuming.
- j. The provisions of the MOU require us to facilitate pooling and to ensure payment in full of all Employee entitlements.
- k. The provisions of the deed governing the SEESA scheme (being the scheme by which the Commonwealth facilitated interim payments to Employees) require us to seek pooling so as to maximise repayment of monies loaned by the Commonwealth to us, as administrators, under the SEESA scheme.
- l. The provisions of the Ansett Group DOCAs expressly contemplate pooling.
- m. To the best of our knowledge, no Ansett Group creditor objected to or opposed the proposed “pooling” provisions of any of the MOU, the SEESA scheme or the Ansett Group DOCAs.

3.3 Our assumptions

We have made the following assumptions about the Ansett Group’s affairs for the purposes of the Pooling Application and in preparing our estimates, opinions and recommendations as set out in this report.

- a. We have used the Ansett Group’s 2000 audited accounts and 2001 unaudited accounts as a starting point in determining Ansett Group asset and liability positions, particularly in relation to intercompany loan balances.
- b. Estimated final net asset realisations assume that the Ansett Group as a whole is pooled and that the AAE Pooling Compromise Deed is given effect. (Note, the AAE Pooling Compromise Deed has now come into effect.)
- c. AAL is assumed to be the owner of the proceeds of sale (and accrued interest) of the Head Office and the Other Ansett CBD Properties.
- d. The creditors of each Ansett Group company which is a party to a deed of cross-guarantee referred to in paragraph (d) in Part 3.2 of this report are assumed to have claims in the administrations of each of the other Ansett Group companies which are party to the particular deed of cross-guarantee to which the first-named Ansett Group company is a party. (The practical effect of this assumption is that some Ansett Group creditors are entitled to lodge proofs of debt for the same claim against more than one Ansett Group company.)

- e. In relation to (d) above, and based on the relevant terms of the cross-guarantees, creditors who are priority creditors of one Ansett Group company (such as the Employees and the Commonwealth in respect of AAL) do not have the same priority when proving as creditors of another Ansett Group company which is a party to a cross-guarantee to which the first-named Ansett Group company is also a party. (To give a practical example, while the Employees and the Commonwealth are priority creditors for the purposes of their claims against AAL, they are non-priority creditors in respect of those claims as made against AAHL.)
- f. The books and records of the Ansett Group as a whole, as supplemented by informal proofs of debt lodged by Ansett Group creditors during the course of the administrations, accurately reflect the formal proofs of debt likely to be lodged by the relevant Ansett Group creditors, were formal proofs of debt to be called.
- g. Post-administration “charge-backs” are not taken into account, except in respect of AAE.
- h. Post-administration costs and expenses have not been apportioned among individual Ansett Group companies and trusts, except in respect of AAE.
- i. The MOU Monies have not been apportioned between individual Ansett Group companies and trusts. In other words, they are treated as belonging to AAL.
- j. All outstanding matters between the Ansett Group and the Commonwealth are assumed to be settled.
- k. The Commonwealth (in whatever capacity) agrees to vote in favour of the pooling of each and every Ansett Group company of which it is a creditor (or, at least, agrees not to oppose the pooling of those companies).
- l. The “round robin” effect of repeated hypothetical payments as a result of intercompany debts, and through intercompany loan accounts, is factored in. To explain, when initial payments are received by an Ansett Group company (for example, AAHL), those payments are, in turn, paid to various related company creditors to satisfy intercompany debts. Some of those initial payments will eventually return to AAHL (or AAL) from related company debtors by virtue of payments resulting from further intercompany debts.

The assumptions are more fully detailed in Mark Korda’s 12 September 2005 affidavit in the Pooling Application.

4 Non-Asset Holding Company Creditor Meetings

4.1 Details of the Non-Asset Holding Company Creditor Meetings

The Non-Asset Holding Company Creditor Meetings will be held concurrently at the Mercure Hotel Melbourne (Flinders Room), 13 Spring Street, Melbourne, Victoria on **31 August 2006 at 10am**. Registration for all creditors will open at 9.30am. The meetings will commence at 10am sharp. For the purposes of the meetings, please find attached the following:

- Notice of Meeting – Form 509C (Appendix Two)
- Appointment of Proxy Form – Form 532 (Appendix Four)
- Formal Proof of Debt of Claim – Form 535 (Appendix Five)

Creditors are required to lodge **proofs of debt no later than 4pm on 30 August 2006**, failing which they may be excluded from voting at the meeting pursuant to Regulation 5.6.23 of the Corporations Regulations. Proofs of debt may be sent to KordaMentha at GPO Box 2985, Melbourne Vic 3001 or faxed to +61 3 8600 8484.

Creditors who have already lodged any proof of debt (formal or informal) are not required to lodge a further proof of debt (unless they wish to amend their claim).

If you intend to appoint another person to act on your behalf at any of the Non-Asset Holding Company Creditor Meetings, or if you are a corporate creditor, you are required to complete the proxy form appointing your representative and return it to KordaMentha at GPO Box 2985, Melbourne Vic 3001 or by fax to +61 3 8600 8484 **no later than 4pm on 30 August 2006**.

If you are representing a corporate creditor, please ensure that your proxy form is properly executed pursuant to Section 127 of the Corporations Act or that you have properly been appointed pursuant to Section 250A of the Corporations Act, failing which you will not be entitled to vote at the relevant Non-Asset Holding Company Creditor Meetings.

Please note that any proxies lodged in respect of prior meetings of creditors held on various dates are not valid for this meeting.

4.2 Resolutions

- “1 That the creditors are in favour of the pooling of the Company's assets (if any) into Ansett Australia Limited (ACN 004 209 410) (subject to Deed of Company Arrangement) (“AAL”) and allowing the Company’s creditors to make claims against AAL instead of the Company”
- “2 That the Deed of Company Arrangement be varied in the manner set out in the document titled “Proposed Amendments to Deed of Company Arrangement” available at each of www.ansett.com.au, www.kordamentha.com and www.abl.com.au, so as to effect the pooling of the Company’s assets (if any) into AAL and to allow the Company’s creditors to make claims against AAL instead of the Company” (Appendix 6)

- “3 Alternatively to resolutions 1 and 2, that the Deed of Company Arrangement continue to operate”
- “4 Alternatively to resolutions 1, 2 and 3, that the Deed of Company Arrangement is hereby terminated and the Company be wound up”

4.3 Voting by Ansett Group companies or trusts

We have obtained Court approval to vote the Ansett Group intercompany debts in the Non-Asset Holding Companies in favour of Pooling.

4.4 Casting vote

We have obtained Court approval to vote our casting vote at the Non-Asset Holding Company Creditor Meetings in favour of Pooling.

4.5 Example DOCA

We have prepared and posted on the Ansett websites a copy of one of the Non-Asset Holding Companies DOCAs in the form the DOCA will appear if that Non-Asset Holding Company is Pooled (Appendix Six).

5 Our opinions

Our opinions about each of the resolutions to be put to each Non-Asset Holding Company Creditor Meeting are set out below under each resolution.

“1 That the creditors are in favour of the pooling of the Company's assets (if any) into Ansett Australia Limited (ACN 004 209 410) (subject to Deed of Company Arrangement) (“AAL”) and allowing the Company’s creditors to make claims against AAL instead of the Company”

Opinion - For the reasons set out in this report, we recommend that Non-Asset Holding Company creditors **vote in favour** of resolution 1.

“2 That the Deed of Company Arrangement be varied in the manner set out in the document titled “Proposed Amendments to Deed of Company Arrangement” available at each of www.ansett.com.au, www.kordamentha.com and www.abl.com.au, so as to effect the pooling of the Company’s assets (if any) into AAL and to allow the Company’s creditors to make claims against AAL instead of the Company” (Appendix 6)

Opinion - For the reasons set out in this report, we recommend that Non-Asset Holding Company creditors **vote in favour** of resolution 2.

“3 Alternatively to resolutions 1 and 2, that the Deed of Company Arrangement continue to operate”

Opinion - For the reasons set out in this report, if resolutions 1 and 2 are not passed, we recommend that Non-Asset Holding Company creditors **vote in favour** of resolution 3.

“4 Alternatively to resolutions 1, 2 and 3, that the Deed of Company Arrangement is hereby terminated and the Company be wound up”

Opinion - For the reasons set out in this report, if resolutions 1, 2 and 3 are not passed, we recommend that Non-Asset Holding Company creditors **vote against** resolution 4.

We recommend you read this report carefully and obtain advice about it as you see fit.

6 Basis of our estimates, opinions and recommendations

The estimates, opinions and recommendations set out in this report are based on our extensive investigations into the Ansett Group's affairs. Details of our investigations are set out in affidavits which we relied on in the Pooling Application.

As noted in the affidavits (in particular, those of Mark Korda sworn 12 September 2005 and 15 May 2006), we made certain assumptions about the Ansett Group's affairs (including as to the ownership of certain substantial assets) in order to reach the estimates, opinions and conclusions set out in the affidavits.

We have adopted and relied upon the assumptions set out in this report in order to reach estimates, opinions and recommendations set out in this report about:

- a. the financial position of the Ansett Group as a whole;
- b. the financial position of the Non-Asset Holding Companies in particular; and
- c. potential or possible payments to creditors in various scenarios.

Amounts set out in this report are approximate amounts, unless otherwise stated.

The estimates, opinions and recommendations given in this report are given in good faith and in the belief that such statements are not false or misleading. The estimates are based on currently available information. Events or changes in conditions may materially impact the assumptions used in this report.

Where assumptions or amounts set out in this report differ from equivalent assumptions or amounts set out in the affidavits, that is due either to revision of previous estimates or necessary adjustments due to the passage of time since the affidavits were prepared.

This report is a summary only. Further information can be obtained in the affidavits in the Pooling Application, which are over a thousand pages, and which are located on the Ansett websites.

7 Queries

If you have any queries in relation to the above, please contact the Hotline on 1800 151 604, or email employeehotline@ansett.com.au.



MARK KORDA
Joint Deed Administrator



MARK MENTHA
Joint Deed Administrator

Appendix 1 - Ansett Group of Companies

501 Swanston Street Pty Ltd (ACN 005 477 618)	Northern Territory Aerial Work Pty Ltd (ACN 009 611 321)
Aeropelican Air Services Pty Ltd (ACN 000 653 083)	Rock-It-Cargo (Aust) Pty Ltd (ACN 003 004 126)
Airport Terminals Pty Ltd (ACN 053 976 444)	ANST Show Pty Ltd (Formerly Show Group Pty Ltd)
Aldong Services Pty Ltd (ACN 000 258 113)	(ACN 002 968 989)
Ansett Aircraft Finance Limited (ACN 008 643 276)	South Centre Maintenance Pty Ltd (ACN 007 286 660)
Ansett Aviation Equipment Pty Ltd (ACN 008 559 733)	Spaca Pty Ltd (ACN 006 773 593)
Ansett Australia Limited (ACN 004 209 410)	Skywest Airlines Pty Ltd (ACN 008 997 662)
Ansett Australia and Air New Zealand Engineering Services Limited (ACN 089 520 696)	ANST Travel Pty Ltd (Formerly Traveland Pty Ltd)
Ansett Australia Holdings Limited (ACN 004 216 291)	(ACN 000 240 746)
Ansett Carts Pty Ltd (ACN 055 181 215)	ANST Travel International Pty Ltd (Formerly Traveland International Pty Ltd)
Ansett Equipment Finance Limited (ACN 006 827 989)	(ACN 000 598 452)
Ansett Finance Limited (ACN 006 555 166)	Traveland International (Aust) Pty Ltd (ACN 000 275 936)
Ansett Holdings Limited (ACN 065 117 535)	Traveland New Staff Pty Ltd (ACN 080 739 037)
Ansett International Limited (ACN 060 622 460)	Walgali Pty Ltd (ACN 055 258 921)
Bodas Pty Ltd (including in its capacity as trustee of the Westsky Trust and the Pelican Trust) (ACN 002 158 741)	Westintech Limited (ACN 009 084 039)
Brazson Pty Ltd (ACN 055 259 008)	Westintech Nominees Pty Ltd (ACN 009 302 158)
Eastwest Airlines (Operations) Limited (ACN 000 259 469)	Whitsunday Affairs Pty Ltd (ACN 009 694 553)
Eastwest Airlines Limited (ACN 000 063 972)	Whitsunday Harbour Pty Ltd (ACN 010 375 470)
ANST Lednek Airlines (Aust) Pty Ltd (Formerly Kendell Airlines (Aust) Pty Ltd) (ACN 000 579 680)	Wridgways (Vic) Pty Ltd (ACN 004 153 413)
Morael Pty Ltd (ACN 003 286 440)	Wridgways Holdings Limited (ACN 004 449 085)
Northern Airlines Limited (ACN 009 607 069)	ANST Westsky Aviation Pty Ltd (Formerly Skywest Aviation Pty Ltd) (ACN 004 444 866)
	ANST Westsky Jet Charter Pty Ltd (Formerly Skywest Jet Charter Pty Ltd) (ACN 008 800 155)
	ANST Westsky Holdings Pty Ltd (Formerly Skywest Holdings Pty Ltd) (ACN 008 905 646)

Note: All subject to Deed Company Arrangement, except Aeropelican Air Services Pty Ltd and Skywest Airlines Pty Ltd

Appendix 2 - Formal Notice of Meeting – Form 509C

1. Notice is given that meetings of the creditors of the Companies will be held at the Mercure Hotel Melbourne (Flinders Room), 13 Spring Street, Melbourne, Victoria on **31 August 2006 at 10am**. Registration for all creditors will open at 9.30am.
2. The purpose of the meetings is to consider and vote on the following resolutions:
 - “1 That the creditors are in favour of the pooling of the Company’s assets (if any) into Ansett Australia Limited (ACN 004 209 410) (subject to Deed of Company Arrangement) (“AAL”) and allowing the Company’s creditors to make claims against AAL instead of the Company”
 - “2 That the Deed of Company Arrangement be varied in the manner set out in the document titled “Proposed Amendments to Deed of Company Arrangement” available at each of www.ansett.com.au, www.kordamentha.com and www.abl.com.au, so as to effect the pooling of the Company’s assets (if any) into AAL and to allow the Company’s creditors to make claims against AAL instead of the Company”
 - “3 Alternatively to resolutions 1 and 2, that the Deed of Company Arrangement continue to operate”
 - “4 Alternatively to resolutions 1, 2 and 3, that the Deed of Company Arrangement is hereby terminated and the Company be wound up”

Dated this 17th day August of 2006

Mark Korda
Joint Deed Administrator
KordaMentha
Level 24
333 Collins Street
MELBOURNE VIC 3000

Appendix 3 - Documents available on the Ansett websites

Applications	Federal Court of Australia: Victorian District Registry: VID621 of 2005, 21 June 2005
Orders	<p>Orders - 30 August 2005</p> <p>Orders - 26 September 2005</p> <p>Orders - 10 October 2005</p> <p>Notice of Listing - 11 October 2005</p> <p>Orders - 22 March 2006</p> <p>Orders - 26 May 2006</p>
First Korda Affidavit	First Affidavit of Mark Anthony Korda, sworn 21 June 2005
Exhibits to First Korda Affidavit	<p>Exhibit MAK 1 - Historical Company Extracts of Plaintiff Companies (pages 1-617)15MB</p> <p>Exhibit MAK 2 - Copy Deed of Company Arrangement executed by Ansett Australia Holdings Ltd ("AAHL"), dated 2 May 2002</p> <p>Exhibit MAK 3 - Copy MOU, dated 3 October 2001</p> <p>Exhibit MAK 4 - Copy SEESA Deed, dated 14 December 2001</p>
Second Korda Affidavit	Second Affidavit of Mark Anthony Korda, sworn 12 September 2005
Exhibits to Second Korda Affidavit	<p>Exhibit MAK 5 - AAE Pooling Deed of Compromise</p> <p>Exhibit MAK 6 - Court's final orders, Justice Goldberg's reasons for judgment and corrigenda in the MOU Application</p> <p>Exhibit MAK 7 - Court's final orders, and Justice Goldberg's reasons for judgment in the SEESA Application</p> <p>Exhibit MAK 8 - Second Meeting resolutions and results of poll</p> <p>Exhibit MAK 9 - First Report to Creditors</p> <p>Exhibit MAK 10 - Second Report to Creditors</p> <p>Exhibit MAK 11 - Third Report to Creditors</p> <p>Exhibit MAK 12 - Fourth Report to Creditors</p> <p>Exhibit MAK 13 - Fifth Report to Creditors</p> <p>Exhibit MAK 14 - The Ansett Group Entities</p> <p>Exhibit MAK 15 - Intranet memorandum dated 10 August 2000</p> <p>Exhibit MAK 16 - Extract of Kendell loan account with AAL for January 2001 to July 2001</p> <p>Exhibit MAK 17 - Extract from May 2000 edition of "Panorama"</p> <p>Exhibit MAK 18 - AAL trade-marks</p> <p>Exhibit MAK 19 - Extract of July-August 2000 edition of "Flight Safety Australia"</p> <p>Exhibit MAK 20 - Except from AAL Asset Register</p> <p>Exhibit MAK 21 - Numbered bundle of documents relating to Head Office, 501 Swanston Street and Other Ansett Melbourne CBD Properties matters</p> <p>Exhibit MAK 22 - Schedule of inter-company loan balances</p> <p>Exhibit MAK 23 - Numbered bundle of documents relating to Head Office Proceeds</p> <p>Exhibit MAK 24 - Class A Cross-Guarantee and Revocation Deeds</p> <p>Exhibit MAK 25 - Class B Cross-Guarantee, Revocation Deeds and Assumption Deed</p>

Exhibits to Second Korda Affidavit (cont)	<p>Exhibit MAK 26 - Class C Cross-Guarantee</p> <p>Exhibit MAK 27 - Affidavit of Mark Francis Xavier Mentha sworn 8 October 2001 (excluding exhibits)</p> <p>Exhibit MAK 28 - Affidavit of Mark Francis Xavier Mentha sworn 10 October 2001 (excluding exhibits)</p> <p>Exhibit MAK 29 - Affidavit of the Hazelton Group Administrator sworn 22 October 2001 (excluding exhibits)</p> <p>Exhibit MAK 30 - Affidavit of Mark Anthony Korda sworn 1 November 2001 (excluding exhibits)</p> <p>Exhibit MAK 31 - Affidavit of Leon Zwier sworn 20 September 2002 (excluding exhibits)</p> <p>Exhibit MAK 32 - Affidavit of Mark Anthony Korda sworn 26 September 2002 (excluding exhibits)</p> <p>Exhibit MAK 33 - Affidavit of Bradley Fowler sworn 13 March 2003 (excluding exhibits)</p> <p>Exhibit MAK 34 - Hazelton Deed of Settlement</p> <p>Exhibit MAK 35 - Ansett written contentions dated 5 May 2003 in the Allocation Applications</p> <p>Exhibit MAK 36 - Further Hazelton Terms of Settlement</p> <p>Exhibit MAK 37 - Court's orders in the Hazelton Allocation Application</p> <p>Exhibit MAK 38 - Affidavit of Mark Anthony Korda sworn 3 December 2001(excluding exhibits)</p> <p>Exhibit MAK 39 - Loan Deed</p> <p>Exhibit MAK 40 - AAL DOCA Variation Application terms of settlement</p> <p>Exhibit MAK 41 - AAL DOCA Variation Orders and Justice Goldberg's reasons for judgment</p> <p>Exhibit MAK 42 - Skywest/Aeropelican reports to creditors dated 15 January 2002</p> <p>Exhibit MAK 43 - Skywest/Aeropelican DOCAs</p> <p>Exhibit MAK 44 - Skywest Sale Agreement</p> <p>Exhibit MAK 45 - Aeropelican Sale Agreement and Variation Documents</p> <p>Exhibit MAK 46 - Skywest Transfer Agreement and the Westsky Trust Deed</p> <p>Exhibit MAK 47 - Aeropelican Transfer Agreement and the Pelican Trust Deed</p> <p>Exhibit MAK 48 - Abbreviated Notice Application</p> <p>Exhibit MAK 49 - Affidavit Of Leon Zwier sworn 27 December 2001</p> <p>Exhibit MAK 50 - Affidavit Of Leon Zwier sworn 3 January 2002</p> <p>Exhibit MAK 51 - Final orders of the Court and Justice Goldberg's reasons for judgment in the Abbreviated Notice Application</p>
First King Affidavit	<p>First Affidavit of Alexander William King, affirmed 23 September 2005</p>
Exhibits to First King Affidavit	<p>Exhibit AWK-1 - Letter dated 2 September 2005 regarding proposed affidavit of Mark Anthony Korda</p> <p>Exhibit AWK-2 - Email dated 7 September 2005 regarding proposed affidavit of Mark Anthony Korda</p> <p>Exhibit AWK-3 - Email dated 8 September 2005 enclosing unsworn affidavit of Mark Anthony Korda, without exhibits</p> <p>Exhibit AWK-4 - Letter dated 8 September 2005 enclosing exhibit "MAK-14" to unsworn affidavit of Mark Anthony Korda</p> <p>Exhibit AWK-5 - Email dated 8 September 2005 enclosing exhibit "MAK-14" to unsworn affidavit of Mark Anthony Korda</p>

Exhibits to First King Affidavit (cont)	<p>Exhibit AWK-6 - Letter dated 8 September 2005 enclosing proposed exhibits to unsworn affidavit of Mark Anthony Korda</p> <p>Exhibit AWK-7 - Letter dated 9 September 2005 enclosing proposed exhibits to unsworn affidavit of Mark Anthony Korda</p> <p>Exhibit AWK-8 - Extracts from Websites</p> <p>Exhibit AWK-9 - Form of letter dated 15 September 2005 sent to certain Ansett Group creditors</p> <p>Exhibit AWK-10 - Form of letter dated 15 September 2005 sent to certain Skywest creditors</p> <p>Exhibit AWK-11 - Form of letter dated 15 September 2005 sent to certain Aeropelican creditors</p> <p>Exhibit AWK-12 - List of letter recipients (of 15 September 2005 letter)</p> <p>Exhibit AWK-13 - Copy notice to Ansett Group creditors published in "The Australian" on 21 September 2005</p> <p>Exhibit AWK-14 - Email dated 19 September 2005 to Ansett Committees of Creditors</p> <p>Exhibit AWK-15 - Letter dated 19 September 2005 from ASIC to ABL</p>
Third Korda Affidavit	Third Affidavit of Mark Anthony Korda, sworn 30 September 2005
Exhibit to Third Korda Affidavit	Exhibit MAK-52 - ASIC request dated 19 September 2005
Fourth Korda Affidavit	Fourth Affidavit of Mark Anthony Korda, sworn 13 October 2005
Exhibits to Fourth Korda Affidavit	<p>Exhibit MAK-53: Letter from Contradictor dated 29 September 2005</p> <p>Exhibit MAK-54: Letter from ASIC dated 7 October 2005</p> <p>Exhibit MAK-55: Email from Rockwell Collins dated 20 September 2005</p> <p>Exhibit MAK-56: Email from Skippers Aviation dated 22 September 2005</p> <p>Exhibit MAK-57: Minutes of 23 September 2005 meeting between Mark Korda and union representatives (and others)</p> <p>Exhibit MAK-58: Written presentation from 23 September 2005 meeting between Mark Korda and union representatives (and others)</p> <p>Exhibit MAK-59: Email from KordaMentha to ACTU dated 23 September 2005</p> <p>Exhibit MAK-60: Email from AGS to ABL dated 26 September 2005</p> <p>Exhibit MAK-61: Email from ABL to AGS dated 28 September 2005</p> <p>Exhibit MAK-62: Email from AGS to ABL dated 28 September 2005</p> <p>Exhibit MAK-63: Email from Steven Parbery to Mark Korda dated 28 September 2005</p> <p>Exhibit MAK-64: Letter from ABL to various parties dated 29 September 2005</p> <p>Exhibit MAK-65: Email from ABL to ASIC dated 29 September 2005</p> <p>Exhibit MAK-66: Email from ABL to various parties dated 30 September 2005</p> <p>Exhibit MAK-67: Letter from AGS to ABL dated 3 October 2005</p> <p>Exhibit MAK-68: Letter from AGS to ABL dated 5 October 2005</p> <p>Exhibit MAK-69: Letter from Mark Korda to Steven Parbery and Ross McClure (for the Commonwealth) dated 5 October 2005</p>
Second King Affidavit	Second Affidavit of Alexander William King, affirmed 18 October 2005
Third King Affidavit	Third Affidavit of Alexander William King, affirmed 31 March 2006
Exhibit to Third King Affidavit	Exhibit AWK-17: AAE Pooling Compromise Deed (as amended)
Fifth Korda Affidavit	Fifth Affidavit of Mark Anthony Korda, sworn 15 May 2006

Exhibits to Fifth Korda Affidavit	Exhibit MAK-70: Notice as published in "The Australian" Exhibit MAK-71: Special purpose report, proposed form of amended DOCA and notice of meeting Exhibit MAK-72: Update 79 to the members of the Ansett Committees of Creditors dated 27 April 2006
First Hams Affidavit	First Affidavit of Sebastian David Hams sworn 24 May 2006
Second Hams Affidavit	Second Affidavit of Sebastian David Hams sworn 24 July 2006
Submissions	Plaintiffs' Outline of Submissions dated 20 October 2005 Submissions of Commonwealth of Australia dated 20 October 2005 Outline of Submissions to be made on behalf of WTH Pty Ltd in its capacity as Contradictor dated 21 October 2005
Transcripts of Proceedings	Transcript - 23 June 2005 Transcript - 19 July 2005 Transcript - 16 August 2005 Transcript - 30 August 2005 Transcript - 26 September 2005 Transcript - 24 October 2005 Transcript – 22 March 2006 Transcript – 31 March 2006 Transcript - 26 May 2006
Judgment	Judgment - 22 March 2006

Appendix 4 - Appointment of Proxy Form – Form 532

APPOINTMENT OF PROXY	Form 532 Regulation 5.6.29 Corporations Act 2001
(Please mark the company of which you are a creditor in the list below) (subject to Deed of Company Arrangement) (“the Company”)	

List of Non-Asset Holding Companies

501 Swanston Street Pty Ltd (ACN 005 477 618)	South Centre Maintenance Pty Ltd (ACN 007 286 660)
Airport Terminals Pty Ltd (ACN 053 976 444)	Spaca Pty Ltd (ACN 006 773 593)
Aldong Services Pty Ltd (ACN 000 258 113)	ANST Travel Pty Ltd (formerly Traveland Pty Ltd) (ACN 000 240 746)
Ansett Aircraft Finance Limited (ACN 008 643 276)	ANST Travel International Pty Ltd (formerly Traveland International Pty Ltd) (ACN 000 598 452)
Ansett Australia and Air New Zealand Engineering Services Limited (ACN 089 520 696)	Traveland International (Aust) Pty Ltd (ACN 000 275 936)
Ansett Carts Pty Ltd (ACN 055 181 215)	Traveland New Staff Pty Ltd (ACN 080 739 037)
Ansett Equipment Finance Limited (ACN 006 827 989)	Walgali Pty Ltd (ACN 055 258 921)
Ansett Finance Limited (ACN 006 555 166)	Westintech Limited (ACN 009 084 039)
Bodas Pty Ltd (ACN 002 158 741)	Westintech Nominees Pty Ltd (ACN 009 302 158)
Brazson Pty Ltd (ACN 055 259 008)	Whitsunday Affairs Pty Ltd (ACN 009 694 553)
Eastwest Airlines (Operations) Limited (ACN 000 259 469)	Whitsunday Harbour Pty Ltd (ACN 010 375 470)
Eastwest Airlines Limited (ACN 000 063 972)	Wridgways (Vic) Pty Ltd (ACN 004 153 413)
Morael Pty Ltd (ACN 003 286 440)	Wridgways Holdings Limited (ACN 004 449 085)
Northern Airlines Limited (ACN 009 607 069)	ANST Westsky Aviation Pty Ltd (formerly Skywest Aviation Pty Ltd) (ACN 004 444 866)
Northern Territory Aerial Work Pty Ltd (ACN 009 611 321)	ANST Westsky Jet Charter Pty Ltd (formerly Skywest Jet Charter Pty Ltd) (ACN 008 800 155)
Rock-It-Cargo (Aust) Pty Ltd (ACN 003 004 126)	ANST Westsky Holdings Pty Ltd (formerly Skywest Holdings Pty Ltd) (ACN 008 905 646)

A. Insert Full Name and Contact Details (please print)

Given Name _____

Surname _____

Company Name _____

Telephone Number _____

Address _____

B. Appointment of a Proxy (please complete)

I/We, a creditor of the Company appoint:

_____ of

as my/our proxy, or in his/her absence _____, to vote at a meeting of creditors to be held at the Mercure Hotel Melbourne (Flinders Room), 13 Spring Street, Melbourne, Victoria on 31 August 2006 at 10am or at any adjournment of that meeting.

C. Voting by Your Proxy

Option 1: If appointed as a general proxy, as he/she determines on my/our behalf.

AND/OR

Option 2: If appointed as a special proxy for some or all resolutions, specifically in the manner set out below (please tick).

	Resolution (please specify the particular resolution)	For	Against	Abstain
(1)	That the creditors are in favour of the pooling of the Company's assets (if any) into Ansett Australia Limited (ACN 004 209 410) (subject to Deed of Company Arrangement) ("AAL") and allowing the Company's creditors to make claims against AAL instead of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2)	That the Deed of Company Arrangement be varied in the manner set out in the document titled "Proposed Amendments to the Deed of Company Arrangement" available at each of www.ansett.com.au , www.kordamentha.com and www.abl.com.au , so as to effect the pooling of the Company's assets (if any) into AAL and to allow the Company's creditors to make claims against AAL instead of the Company"; OR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3)	Alternatively to resolutions 1 and 2, that the Deed of Company Arrangement continue to operate; OR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4)	Alternatively to resolutions 1, 2 and 3, that the Deed of Company Arrangement is hereby terminated and the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature Section (in accordance with Sections 82A, 127 or 250D of the Corporations Act 2001)

Signature of individual or person authorised by corporate resolution to represent corporation

Print Name:

The common seal was affixed hereto in the presence of:

Director

Director/Company Secretary

Dated this _____ day of _____ .

CERTIFICATE OF WITNESS

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested by the person nominated as proxy. I, _____ of _____ certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Signature of witness: _____

Appendix 5 - Formal Proof of Debt Claim – Form 535

**Form 535
Corporations Act 2001**

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To: The Deed Administrators of the Company highlighted in the list below (please mark the company of which you are a creditor)

1. This is to state that the company was on 12 September 2001 and still is, justly and truly indebted:

TO:
(name of creditor)

OF:
(address of creditor)

FOR:
(amount owed to creditor)

AND cents.

Particulars of the debt are:

<u>Date</u> (insert date when debt arose)	<u>Consideration</u> (state how the debt arose & <u>attach supporting invoices & statements of account</u>)	<u>Amount (\$)</u>	<u>Remarks</u> (include details of voucher substantiating payment)
--	--	--------------------	---

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: (insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

<u>Date</u>	<u>Drawer</u>	<u>Acceptor</u>	<u>Amount (\$...c)</u>	<u>Due Date</u>
-------------	---------------	-----------------	------------------------	-----------------

*3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

*3. I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

List of Non-Asset Holding Companies

501 Swanston Street Pty Ltd (ACN 005 477 618)	South Centre Maintenance Pty Ltd (ACN 007 286 660)
Airport Terminals Pty Ltd (ACN 053 976 444)	Spaca Pty Ltd (ACN 006 773 593)
Aldong Services Pty Ltd (ACN 000 258 113)	ANST Travel Pty Ltd (formerly Traveland Pty Ltd) (ACN 000 240 746)
Ansett Aircraft Finance Limited (ACN 008 643 276)	ANST Travel International Pty Ltd (formerly Traveland International Pty Ltd) (ACN 000 598 452)
Ansett Australia and Air New Zealand Engineering Services Limited (ACN 089 520 696)	Traveland International (Aust) Pty Ltd (ACN 000 275 936)
Ansett Carts Pty Ltd (ACN 055 181 215)	Traveland New Staff Pty Ltd (ACN 080 739 037)
Ansett Equipment Finance Limited (ACN 006 827 989)	Walgali Pty Ltd (ACN 055 258 921)
Ansett Finance Limited (ACN 006 555 166)	Westintech Limited (ACN 009 084 039)
Bodas Pty Ltd (ACN 002 158 741)	Westintech Nominees Pty Ltd (ACN 009 302 158)
Brazson Pty Ltd (ACN 055 259 008)	Whitsunday Affairs Pty Ltd (ACN 009 694 553)
Eastwest Airlines (Operations) Limited (ACN 000 259 469)	Whitsunday Harbour Pty Ltd (ACN 010 375 470)
Eastwest Airlines Limited (ACN 000 063 972)	Wridgways (Vic) Pty Ltd (ACN 004 153 413)
Moraël Pty Ltd (ACN 003 286 440)	Wridgways Holdings Limited (ACN 004 449 085)
Northern Airlines Limited (ACN 009 607 069)	ANST Westsky Aviation Pty Ltd (formerly Skywest Aviation Pty Ltd) (ACN 004 444 866)
Northern Territory Aerial Work Pty Ltd (ACN 009 611 321)	ANST Westsky Jet Charter Pty Ltd (formerly Skywest Jet Charter Pty Ltd) (ACN 008 800 155)
Rock-It-Cargo (Aust) Pty Ltd (ACN 003 004 126)	ANST Westsky Holdings Pty Ltd (formerly Skywest Holdings Pty Ltd) (ACN 008 905 646)

Dated this ____ day of _____ 2006.

Signature.....

Name

Address

.....

* Delete if not applicable.

Appendix 6 - AAHL Deed of Company Arrangement (with pooling variations)