

**Air New Zealand Limited**  
**Fuel Hedge Position as at 21 February 2020**

		Units	FY20 Q3 Jan-Mar	FY20 Q4 Apr-Jun	FY21 Q1 Jul-Sep	FY21 Q2 Oct-Dec	FY21 Q3 Jan-Mar	FY20 H2 Jan-Jun 2020	FY21 H1 Jul-Dec 2020
<b>Brent Swaps</b>	Volume	Barrels			50,000	27,500	52,500		77,500
	Price	USD			57.99	57.37	57.02		57.77
<b>Brent Collars</b>	Volume	Barrels	2,262,500	1,822,500	1,600,000	982,500	195,000	4,085,000	2,582,500
	Ceiling Price	USD	65.16	62.47	59.48	59.10	57.33	63.96	59.33
	Floor Price	USD	55.42	53.68	52.91	53.19	50.87	54.64	53.01
Total hedged volume		Barrels	2,262,500	1,822,500	1,650,000	1,010,000	247,500	4,085,000	2,660,000
Estimated fuel consumption		Barrels	2,359,970	2,138,624	2,350,000	2,375,000	2,450,000	4,498,595	4,725,000
Hedged volume as proportion of total			96%	85%	70%	43%	10%	91%	56%
Compensation from fuel hedges (1)		USD	(2,487,534)	(4,745,512)	286,205	536,922	408,660	(7,233,046)	823,127
Purchase cost of options		USD	(5,938,500)	(3,603,375)	(2,393,850)	(1,042,025)	(303,725)	(9,541,875)	(3,435,875)
Net compensation from hedges (2)		USD	(8,426,034)	(8,348,887)	(2,107,645)	(505,103)	104,935	(16,774,921)	(2,612,748)
<b>Brent Call Spreads (3)</b>	Volume	Barrels	1,275,000	412,500				1,687,500	
	Bought Call	USD	60.72	60.58				60.68	
	Sold Call	USD	65.83	66.55				66.01	
<b>Jet-Brent Crack Spreads (4)</b>	Volume	Barrels	837,500	825,000	100,000			1,662,500	100,000
	Price	USD	16.62	13.83	15.44			15.23	15.44

**Notes:**

Brent spot was US\$59 and 12 month Brent was US\$57. As at 21 February 2020, Air New Zealand had no WTI hedges.

Singapore Jet Spot was US\$65 and 12 month Singapore Jet was US\$68.

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel hedges as at 21 February 2020.

(2) Net compensation from fuel hedges represents the unrealised gains and losses on fuel hedges. These gains and losses will be accounted for in line with Air New Zealand Limited's fuel instrument accounting policy. The effective portion of changes in the intrinsic value and time value of fuel derivatives is recognised through Other Comprehensive Income. Any accounting ineffectiveness is recognised through earnings.

(3) Brent Call Spreads lower the ceiling price of existing collar structures.

(4) Jet-Brent Crack Spreads lock in the margin between the Singapore Jet and Brent Crude prices; Air New Zealand has entered into Jet-Brent Crack Spreads to actively manage the volatility of the spread between Singapore Jet and Brent Crude prices.

**Volume:** Fuel volume is reported in barrels for passenger aircraft (42 US gallons in a barrel).

**Price:** Price is quoted in USD cost per barrel of Brent and Singapore Jet.