

**Air New Zealand Limited**  
**Fuel Hedge Position as at 15 November 2019**

		Units	FY20 Q2 Oct-Dec	FY20 Q3 Jan-Mar	FY20 Q4 Apr-Jun	FY21 Q1 Jul-Sep	FY20 H1 Jul-Dec 2019	FY20 H2 Jan-Jun 2020	FY21 H1 Jul-Dec 2020
<b>Brent Collars</b>	Volume	Barrels	2,112,500	2,175,000	1,575,000	925,000	4,075,000	3,750,000	1,137,500
	Ceiling Price	USD	66.08	65.09	62.39	59.41	69.08	63.96	59.26
	Floor Price	USD	55.80	55.39	53.44	52.11	57.68	54.57	52.21
Total hedged volume		Barrels	2,112,500	2,175,000	1,575,000	925,000	4,075,000	3,750,000	1,137,500
Estimated fuel consumption		Barrels	2,385,986	2,533,075	2,242,382	2,350,000	4,744,798	4,775,456	4,725,000
Hedged volume as proportion of total			89%	86%	70%	39%	86%	79%	24%
Compensation from fuel hedges (1)		USD	(1,639,634)	1,850,670	2,566,123	2,708,866	(4,659,545)	4,416,793	3,301,196
Purchase cost of options		USD	(4,966,250)	(5,328,875)	(2,811,875)	(1,473,625)	(10,235,750)	(8,140,750)	(1,813,250)
Net compensation from hedges (2)		USD	(6,605,884)	(3,478,205)	(245,752)	1,235,241	(14,895,295)	(3,723,957)	1,487,946
<b>Brent Call Spreads (3)</b>									
Volume		Barrels	800,000	887,500			1,600,000	887,500	
Bought Call		USD	62.84	60.39			63.56	60.39	
Sold Call		USD	67.96	65.39			68.48	65.39	
<b>Jet-Brent Crack Spreads (4)</b>									
Volume		Barrels	962,500	787,500	625,000	100,000	1,812,500	1,412,500	100,000
Price		USD	17.28	17.17	15.77	15.44	16.73	16.55	15.44

**Notes:**

Brent spot was US\$63 and 12 month Brent was US\$59. As at 15 November 2019, Air New Zealand had no WTI hedges.

Singapore Jet Spot was US\$76 and 12 month Singapore Jet was US\$75.

(1) Compensation from fuel hedges is the sum of the mark-to-market value of all fuel hedges as at 15 November 2019, .

(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.