

APPENDIX 3B

NEW ISSUE ANNOUNCEMENT, APPLICATION FOR QUOTATION OF ADDITIONAL SECURITIES AND AGREEMENT

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

AIR NEW ZEALAND LIMITED

ABN

70 000 312 685

We (the entity) give ASX the following information.

PART 1 - ALL ISSUES

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | options to acquire Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,000,000 Options to acquire Ordinary Shares Under Air New Zealand Long Term Incentive Plan |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Options under Air NZ Long term Incentive Plan issued for nil consideration. Option exercise price will be set on the third anniversary of the option grant date applying the formula contained in the Air New Zealand Long Term Incentive Plan Rules. Final date for exercise is the fifth anniversary of the grant date. |

| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>Any Ordinary Shares issued on the exercise of options will rank equally with existing Ordinary Shares on issue.</p> | | | | |
|--|---|--------|--------|---------------|-----------------|
| <p>5 Issue price or consideration</p> | <p>Options issued as per box 3 above.</p> | | | | |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Options issued under the Share Option Section of the LTIP.</p> | | | | |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p> | <p>21 December 2012</p> | | | | |
| <p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p> | <table border="1"> <thead> <tr> <th data-bbox="766 1254 1069 1288">Number</th> <th data-bbox="1069 1254 1388 1288">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1288 1069 1478">1,101,750,571</td> <td data-bbox="1069 1288 1388 1478">Ordinary Shares</td> </tr> </tbody> </table> | Number | +Class | 1,101,750,571 | Ordinary Shares |
| Number | +Class | | | | |
| 1,101,750,571 | Ordinary Shares | | | | |

| <p>9 Number and ⁺class of all ⁺securities not quoted on ASX (including the securities in clause 2 if applicable)</p> | <table border="1"> <thead> <tr> <th data-bbox="766 224 1069 268">Number</th> <th data-bbox="1069 224 1409 268">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 268 1069 336">1</td> <td data-bbox="1069 268 1409 336">Kiwi Share</td> </tr> <tr> <td data-bbox="766 336 1069 448">75,482,730.</td> <td data-bbox="1069 336 1409 448">Options issued under the Air New Zealand Long Term Incentive Plan</td> </tr> <tr> <td data-bbox="766 448 1069 627">2,399,138</td> <td data-bbox="1069 448 1409 627">Options issued under the Air NZ Chief Financial Officer Option Incentive Plan</td> </tr> <tr> <td data-bbox="766 627 1069 828">28,177,436</td> <td data-bbox="1069 627 1409 828">Options issued under the Air New Zealand Chief Executive Officer Option Incentive Plan</td> </tr> </tbody> </table> | Number | ⁺ Class | 1 | Kiwi Share | 75,482,730. | Options issued under the Air New Zealand Long Term Incentive Plan | 2,399,138 | Options issued under the Air NZ Chief Financial Officer Option Incentive Plan | 28,177,436 | Options issued under the Air New Zealand Chief Executive Officer Option Incentive Plan | |
|--|---|--------|--------------------|---|------------|-------------|---|-----------|---|------------|--|--|
| Number | ⁺ Class | | | | | | | | | | | |
| 1 | Kiwi Share | | | | | | | | | | | |
| 75,482,730. | Options issued under the Air New Zealand Long Term Incentive Plan | | | | | | | | | | | |
| 2,399,138 | Options issued under the Air NZ Chief Financial Officer Option Incentive Plan | | | | | | | | | | | |
| 28,177,436 | Options issued under the Air New Zealand Chief Executive Officer Option Incentive Plan | | | | | | | | | | | |
| <p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p> | <p>Refer to Distribution Policy on Company Web site</p> | | | | | | | | | | | |

PART 2 - BONUS ISSUE OR PRO RATA ISSUE

| | |
|--|------------|
| <p>11 Is security holder approval required?</p> | <p>N/A</p> |
| <p>12 Is the issue renounceable or non-renounceable?</p> | <p>N/A</p> |
| <p>13 Ratio in which the ⁺securities will be offered</p> | <p>N/A</p> |
| <p>14 ⁺Class of ⁺securities to which the offer relates</p> | <p>N/A</p> |
| <p>15 ⁺Record date to determine entitlements</p> | <p>N/A</p> |
| <p>16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?</p> | <p>N/A</p> |
| <p>17 Policy for deciding entitlements in relation to fractions</p> | <p>N/A</p> |

| | | |
|----|---|-----|
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7. | N/A |
| 19 | Closing date for receipt of acceptances or renunciations | N/A |
| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | N/A |
| 23 | Fee or commission payable to the broker to the issue | N/A |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders | N/A |
| 25 | If the issue is contingent on ⁺ security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | N/A |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/A |
| 28 | Date rights trading will begin (if applicable) | N/A |
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | N/A |

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- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

PART 3 - QUOTATION OF SECURITIES

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1 (Ordinary Shares only)

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

ENTITIES THAT HAVE TICKED BOX 34(A)

ADDITIONAL SECURITIES FORMING A NEW CLASS OF SECURITIES

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

ENTITIES THAT HAVE TICKED BOX 34(B)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

| | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38) | | |

QUOTATION AGREEMENT

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: ...24 December 2012

(Company secretary)

Print name: John Harvey Blair

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+ See chapter 19 for defined terms.