

COMMUNIQUE

Fuel Hedging

The Company's fuel risk management policy aims to provide Air Mauritius with protection against sudden and significant increases in fuel prices. In keeping with this policy, the Company has gradually increased its hedge ratio to 80% of its projected fuel requirements for Financial Years 2008/2009 and 2009/2010 at an average price of USD 105 per barrel, at a time when market forecasts were predicting levels well above the hedged level.

The hedging profile has an impact on the Company's liquidity due to the significant drop in fuel prices, and the continued volatility in the oil markets worldwide. The Company has secured a guarantee from its principal shareholder, the Government of Mauritius, as part of its liquidity management on the hedge portfolio. The guarantee is neither a loan nor a cash injection into the Company, but provides security to hedge counterparties.

The guarantee was put in place under the International Swaps and Derivatives Association/Credit Support Annex and allows Air Mauritius to release cash resources, which were pledged as security under these structures. The Company will continue to settle its obligations to the hedge counterparties on a monthly basis, as usual.

The guarantee put in place is similar to one obtained after September 11, 2001 when the Government provided guarantees to the Company for war risk insurance following the collapse of the insurance markets.

The Board wishes to also inform shareholders and the public in general that, due to the continuing global economic recession and its impact on demand for air travel, Management is working on additional measures to mitigate the negative impact on the Company's performance.

By Order of the Board
Air Mauritius Limited

19 December 2008

*This communique is issued pursuant to Listing Rule 11.3
The Board of Directors of Air Mauritius Ltd accepts full responsibility for the accuracy of the information contained in this communique.*