

## CAUTIONARY ANNOUNCEMENT

As disclosed in communications dated 26 December 2008 and 12 January 2009, the financial position of Air Mauritius Ltd ("the Company") has, during the third and the fourth quarters of the financial year 2008/2009, severely deteriorated. Financial performance deteriorated mainly due to a substantial decline in market demand. That was compounded by a severe drop in oil prices that negatively impacted the fuel hedge pay-outs of the Company as well as the unrealised losses (mark-to-market) of the portfolio.

Pending the rights issue, the board of directors ("the Board") of the Company hereby informs all the shareholders of the Company and the investing public in general that the Company has entered into new facilities for a total amount of EUR 35 million to meet its cash flow requirements.

The Board has, following advice from Lazard Frères ("Lazard"), hedging specialists and financial advisors to the Board, entered into close-out transactions ("the Close-out Transactions") with certain of its fuel hedging counterparties ("the Hedging Counterparties") to unwind around forty (40) percent of its mark-to-market positions.

The completion of the Close-out Transactions has resulted in the crystallisation of the losses amounting to approximately EUR 52 million. The hedging risk exposure of the Company has been reduced accordingly and as at 31 March 09, the mark-to-market on the remaining portfolio stood at around EUR 72 million. The Company has used mainly the cash collaterals previously deposited with the Hedging Counterparties to complete the Close-out Transactions.

The Board and Management are continuing to work closely with Lazard to restructure the remaining fuel hedging portfolio.

Shareholders of the Company and the investing public are advised to exercise caution and to seek professional advice when dealing in the shares of the Company. Further developments will be communicated in due course.

**By order of the Board,**

06 April 2009

**This announcement is issued pursuant to Section 87 (5)(f) of the Securities Act 2005 and Listing Rule 11.3.**

**The Board accepts full responsibility for the accuracy of the information contained in this announcement.**