

**Oasis Hong Kong Airlines Limited
(Provisional Liquidators Appointed)**

Update on the provisional liquidation of Oasis Hong Kong Airlines Limited

18 April 2008

As previously advised, since their appointment as Oasis's Provisional Liquidators on 9 April 2008, KPMG's Edward Middleton and Patrick Cowley, have been engaged in urgent efforts to facilitate a rescue of Oasis's business. In this endeavour, we have been assisted by financial advisers, Access Capital Limited.

As of the end of business today, substantive negotiations with several interested parties are in progress but none of these have materialised into firm investment proposals. The deadline imposed by the Provisional Liquidators for receipt of proposals has now passed. In the absence of firm proposals, the Provisional Liquidators now have no alternative but to reduce costs substantially, in the interests of all creditors. Accordingly, the Provisional Liquidators have with great regret today terminated the employment contracts of all pilots and cabin crew, as well as the vast majority of the staff based at Oasis's Tung Chung offices. A small number of staff will be retained to assist the Provisional Liquidators in the exercise of their duties going forward.

The Provisional Liquidators acknowledge that this development severely diminishes the prospects for any rescue of Oasis, but they will nonetheless continue their efforts in this regard.

The Provisional Liquidators wish to acknowledge the tremendous team spirit that has been evident among the Oasis' staff, and to place on record our personal appreciation for the support and commitment that we have received from them during what has been a very difficult period for them.

In this regard, we have been closely liaising with the Labour Department (LD), and are glad to note that the LD has made special arrangements to assist the staff concerned. We will honour our obligations as Provisional Liquidators, and will render full assistance to LD so that the staff's rights and obligations under the law and their employment contracts are safeguarded.

Edward Middleton and Patrick Cowley
Joint & Several Provisional Liquidators

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