

August 5, 2011

Holders of Cathay Pacific Airways Tickets

Dear Sir/ Madam:

Subject: CX/KA Tax Refund Update (Effectively Immediately)

Please be advised that today's Congressional action extending the Federal Aviation Administration (FAA) authorization reinstates retroactively the airline ticket taxes for passengers who traveled during the lapse of the FAA's authorization.

As a result of the bill Congress passed today, passengers who purchased tickets prior to July 23 and traveled between July 23 and the date of enactment of today's legislation are not entitled to a refund of the airline ticket excise tax.

Additionally, the IRS intends to provide relief for passengers and airlines with respect to ticket taxes that were not paid or collected because of the lapse.

Cathay Pacific Airways will continue to monitor the guidelines put out by the IRS and will adjust our policy accordingly.

For more on the latest IRS guidance, please visit:

<http://www.irs.gov/newsroom/article/0,,id=242812,00.html>

If you have any questions, please contact Cathay Pacific Airways reservations office at 1-800-233-2742 or any Cathay Pacific Airways sales offices in the U.S.A.

Thank you for your attention.

Sincerely,
Cathay Pacific Airways