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CATHAY PACIFIC AIRWAYS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

Announcement

Plea Agreement with United States Department of Justice

Cathay Pacific Airways Limited (“Cathay Pacific”) has entered into a plea agreement with the United States Department of Justice (“DOJ”) in connection with its ongoing investigation relating to the air cargo services of a number of carriers involved in the international air cargo industry. Under the plea agreement, Cathay Pacific has agreed to plead guilty to a one-count violation of the United States Sherman Act relating to its air cargo business and to pay a fine of US\$60 million. This will bring to an end the DOJ investigation of Cathay Pacific’s cargo operations. The fine will be taken into account in Cathay Pacific’s interim results for the six months ending on 30th June 2008 to be announced on 6th August 2008.

Cathay Pacific announces that it has entered into a plea agreement with the DOJ in connection with its ongoing investigation relating to the air cargo services of a number of carriers involved in the international air cargo industry. Under the plea agreement, Cathay Pacific has agreed to plead guilty to a one-count violation of the United States Sherman Act relating to its air cargo business and to pay a fine of US\$60 million. This will bring to an end the DOJ investigation of Cathay Pacific’s cargo operations. The fine will be taken into account in Cathay Pacific’s interim results for the six months ending on 30th June 2008 to be announced on 6th August 2008.

As part of its investigation into the air cargo industry around the world, DOJ has asserted that certain air cargo practices by Cathay Pacific and other air carriers operating out of Hong Kong were contrary to US law. Cathay Pacific has cooperated fully with DOJ throughout the course of its investigation and will continue to do so. Cathay Pacific has carefully considered all applicable factors and concluded that entering into the plea agreement at this time presents the best resolution to the investigation.

In acknowledging the terms of the plea agreement, Cathay Pacific wishes to emphasise that its staff have at all times acted in compliance with Hong Kong law. Cathay Pacific has always endeavoured to comply fully with all Hong Kong laws and those of every jurisdiction in which it operates. Unfortunately, in this instance, some of its actions relating to shipments from Hong Kong to the United States conflicted with United States antitrust laws, and Cathay Pacific very much regrets this. Cathay

Pacific is committed to its long-standing policy of full compliance with the law and is satisfied that it has taken the best possible corrective actions to remain consistent with this policy.

Cathay Pacific will continue to cooperate with DOJ and regulators in other jurisdictions in their respective investigations and will continue to vigorously defend itself as applicable.

Cathay Pacific has established a dedicated Competition Compliance Office to ensure that Cathay Pacific's procedures and policies continue to comply with antitrust and competition laws around the world.

This announcement is issued by Cathay Pacific pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Directors of Cathay Pacific

As at the date of this announcement, the Directors of Cathay Pacific are:

Executive Directors: Christopher Pratt (Chairman), Robert Atkinson, John Slosar, Augustus Tang and Tony Tyler;

Non-Executive Directors: Philip Chen, Martin Cubbon, Henry Fan, James Hughes-Hallett, Kong Dong, Vernon Moore, Robert Woods, Zhang Lan and Leslie Chang (Alternate Director to Henry Fan); and

Independent Non-Executive Directors: Peter Lee, Raymond Or, Jack So and Tung Chee Chen.

By Order of the Board

Cathay Pacific Airways Limited

David Fu

Company Secretary

Hong Kong, 26th June 2008