

18 May 2020

CIRCULAR TO AIRCRAFT FINANCIERS & LESSORS

Virgin Australia Holdings Ltd and certain entities listed in Schedule A (All Administrators Appointed) (the Companies or Virgin Australia)

As administrators, Vaughan Strawbridge, John Greig, Sal Algeri and Richard Hughes, would like to provide you with an update on the sale process for Virgin Australia as we seek to recapitalise the business, find a new owner and bring Virgin Australia out of voluntary administration as soon as possible.

The process we have undertaken is an expedited sale process to encourage strong competition for the Virgin Australia assets, but one that is necessary to ensure the business is restructured as soon as possible and to begin normal operations as soon as COVID restrictions allow.

We have had excellent engagement from highly credentialed parties who have worked tirelessly to be able to put forward indicative proposals for the future of Virgin Australia. This has been important to ensure not only the future employment of so many passionate members of the Virgin team, but the future of Australia's second domestic airline which is in the national interest.

Friday marked a key milestone in the administration process where we received indicative bids from parties who are eager to be a part of the future of Virgin Australia. We are pleased to advise you that today we have selected a small number of parties to be shortlisted and invited into the next stage of the process.

We cannot comment on who the shortlisted parties are due to confidentiality commitments. We will be working intensely with the shortlisted parties over the next four weeks to enable them to put forward binding offers by mid-June 2020. This will involve the sharing of more detailed financial and operational information, management workshops and meeting with as many of the aircraft financiers and lessors, landlords, suppliers, unions and other key stakeholders of the business as we can manage. We ask that you be patient during this period.

Should any party outside of the Administrators' team contact you directly with respect to Virgin Australia, please note that they do so without our consent and are most likely not one of the shortlisted interested parties. We ask that you do not entertain any discussions as it relates to the business or continued operations of Virgin Australia. Any such discussions will be unhelpful and be a distraction to you and not in the best interest of seeing Virgin Australia emerge from voluntary administration. Please speak to one of the administrators if you have any concerns in this regard.

We are very excited about embarking on the next phase of the sale process and working with the shortlisted parties to see Virgin Australia restructured and come out of voluntary administration.

If you have any queries in relation to the sale, please contact me or Mukhtader Mohammed.

Yours faithfully



Sal Algeri
Joint and Several Administrator

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Schedule A – Virgin Group entities, all Administrators Appointed

Virgin Australia Holdings Ltd, ACN 100 686 226
Virgin Australia International Operations Pty Ltd, ACN 155 859 608
Virgin Australia International Holdings Pty Ltd, ACN 155 860 021
Virgin Australia International Airlines Pty Ltd, ACN 125 580 823
Virgin Australia Airlines (SE Asia) Pty Ltd, ACN 097 892 389
Virgin Australia Airlines Holdings Pty Ltd, ACN 093 924 675
VAH Newco No.1 Pty Ltd, ACN 160 881 345
Tiger Airways Australia Pty Limited, ACN 124 369 008
Virgin Australia Airlines Pty Ltd, ACN 090 670 965
VA Borrower 2019 No. 1 Pty Ltd, ACN 633 241 059
VA Borrower 2019 No. 2 Pty Ltd, ACN 637 371 343
Virgin Tech Pty Ltd, ACN 101 808 879
Short Haul 2018 No. 1 Pty Ltd, ACN 622 014 831
Short Haul 2017 No. 1 Pty Ltd, ACN 617 644 390
Short Haul 2017 No. 2 Pty Ltd, ACN 617 644 443
Short Haul 2017 No. 3 Pty Ltd, ACN 622 014 813
VBNC5 Pty Ltd, ACN 119 691 502
A.C.N. 098 904 262 Pty Ltd, ACN 098 904 262
Virgin Australia Regional Airlines Pty Ltd, ACN 008 997 662
Virgin Australia Holidays Pty Ltd, ACN 118 552 159
VB Ventures Pty Ltd, ACN 125 139 004
Virgin Australia Cargo Pty Ltd, ACN 600 667 838
VB Leaseco Pty Ltd, ACN 134 268 741
VA Hold Co Pty Ltd, ACN 165 507 157
VA Lease Co Pty Ltd, ACN 165 507 291
Virgin Australia 2013-1 Issuer Co Pty Ltd, ACN 165 507 326
737 2012 No.1 Pty. Ltd, ACN 154 201 859
737 2012 No. 2 Pty Ltd, ACN 154 225 064
Short Haul 2016 No. 1 Pty Ltd, ACN 612 766 328
Short Haul 2016 No. 2 Pty Ltd, ACN 612 796 077
Short Haul 2014 No. 1 Pty Ltd, ACN 600 809 612
Short Haul 2014 No. 2 Pty Ltd, ACN 600 878 199
VA Regional Leaseco Pty Ltd, ACN 127 491 605
VB 800 2009 Pty Ltd, ACN 135 488 934
VB Leaseco No 2 Pty Ltd, ACN 142 533 319
VB LH 2008 No. 1 Pty Ltd, ACN 134 280 354
VB LH 2008 No. 2 Pty Ltd, ACN 134 288 805
VB PDP 2010-11 Pty Ltd, ACN 140 818 266