QANTAS

Media Release

QANTAS TO INCREASE FUEL SURCHARGE

SYDNEY, 20 August 2004: Qantas said today that it would increase its fuel surcharge in response to new record highs in the price of crude oil.

The Chief Executive Officer of Qantas Airways, Geoff Dixon, said that crude oil prices had continued to escalate since the airline introduced a fuel surcharge in May this year.

"At that time, jet fuel was about US$44 a barrel – the highest it had been for 14 years. Jet fuel is now more than US$54 a barrel, almost double its price of US$28 a barrel 15 months ago," he said.

Mr Dixon said that Qantas would increase its domestic fuel surcharge from the current $6 a sector to $10 a sector. The surcharge on international sectors, which was currently $15 per sector, would increase to $22 a sector.

He said fuel was the third largest cost to the Qantas Group, after staff and aircraft operational costs.

"Around 70 per cent of our fuel needs are hedged for 2004/05 at US$32, but the price of hedge cover has never been more expensive," he said.

The $10 fuel surcharge, for Qantas Domestic, QantasLink, Jetstar and domestic New Zealand services, and the $22 surcharge for Qantas International and Australian Airlines services will be effective on tickets issued and travel commenced on or after 26 August.

Tickets issued before 26 August will incur the current fuel surcharges of $6 (for domestic Australian and New Zealand travel) and $15 for international travel.

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