

Company Secretary
Cassandra Hamlin



18 December 2009

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Preliminary Discussions Between Jetstar and AirAsia

Qantas confirms that its wholly owned subsidiary, Jetstar, and AirAsia have entered discussions regarding a potential cost saving joint venture.

However, these discussions are at a preliminary stage and no binding agreements have been reached.

Qantas will further update the market as necessary to ensure continued compliance with ASX Listing Rule 3.1.

Yours faithfully



Cassandra Hamlin