

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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AIRASIA BERHAD

(Company No.: 284669-W)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

SHAREHOLDERS' APPROVAL AND RATIFICATION FOR THE PROVISION OF FINANCIAL ASSISTANCE IN THE FORM OF PAYMENTS MADE BY AIRASIA BERHAD ("AIRASIA") FOR AND ON BEHALF OF PT INDONESIA AIRASIA ("IAA") AND THAI AIRASIA CO. LTD. ("TAA") AND WORKING CAPITAL ADVANCES BY AIRASIA TO IAA AND TAA, BOTH 49%-OWNED COMPANIES OF AIRASIA

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of our Extraordinary General Meeting ("EGM"), which has been scheduled to be held at AirAsia Academy, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, on Monday, 3 August 2009 at 12.00 p.m. or immediately after the conclusion or the adjournment (as the case maybe) of our Sixteenth Annual General Meeting, which has been scheduled to be held at the same venue, on the same day and date at 10.00 a.m., whichever is later, together with the Form of Proxy are enclosed in this Circular.

You are entitled to attend and vote at our EGM or appoint a proxy to attend and vote for and on your behalf. In such event, the Form of Proxy should be lodged at our registered office at 25-5 Block H, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not later than 48 hours before the time fixed for our EGM or any adjournment thereof. The last day and time for you to lodge the Form of Proxy is on Saturday, 1 August 2009 at 12.00 p.m. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our EGM should you subsequently wish to do so.

This Circular is dated 18 July 2009

DEFINITIONS

The following definitions shall apply throughout this Circular unless the context requires otherwise:

Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
AirAsia or our Company	:	AirAsia Berhad
AirAsia Group or our Group	:	Our Company and our subsidiaries, jointly-controlled entities and associated companies
AACL	:	Asia Aviation Co. Ltd.
AAIL	:	AA International Limited
Board	:	Board of Directors of our Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
Bursa Securities LR	:	Listing Requirements of Bursa Securities
DKBM	:	Dato' Kamarudin Bin Meranun, our substantial shareholder and Deputy Group Chief Executive Officer
DSTF	:	Dato' Sri Anthony Francis Fernandes, our substantial shareholder and Group Chief Executive Officer
EGM	:	Extraordinary general meeting
FA Agreements	:	The Financial Assistance Agreements to be entered into between our Company and IAA and TAA respectively to (a) formalize the provision of financial assistance to IAA and TAA, and (b) govern the provision of additional and future financial assistance to IAA and TAA
IAA	:	PT Indonesia AirAsia, a 49%-owned company of our Company
NTA	:	Net tangible assets
Proposals	:	Collectively, the Ratification and Proposed Provision of Financial Assistance
Proposed Provision of Financial Assistance	:	Provision of additional and future financial assistance pursuant to the FA Agreements whereby the amount of financial assistance provided and to be provided to each of IAA and TAA, at any given time, shall not exceed 10% of our Group's NTA based on the latest available audited financial statements
Ratification	:	Your ratification for the provision of financial assistance in the form of payments made by our Company for and on behalf of IAA and TAA for those functions set out in Section 2.1 of this Circular and working capital advances by our Company to IAA and TAA totalling approximately RM355 million and RM248 million respectively as at 31 December 2008
RHB Investment Bank	:	RHB Investment Bank Berhad
TAA	:	Thai AirAsia Co. Ltd., a 49%-owned company of our Company

Currencies

IDR	:	Indonesian Rupiah
RM and sen	:	Ringgit Malaysia and sen respectively
THB	:	Thai Baht

DEFINITIONS *(Cont'd)*

All references to “**our Company**” or “**AirAsia**” in this Circular are to AirAsia Berhad, and references to “**our Group**” are to our Company and our subsidiaries, jointly-controlled entities and associated companies. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and, where the context otherwise requires, our subsidiaries, jointly-controlled entities and associated companies.

All references to “**you**” in this Circular are to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

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AIRASIA BERHAD

(Company No.: 284669-W)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered office:

25-5 Block H
Jalan PJU 1/37
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

18 July 2009

Your Board of Directors:

Dato' Abdel Aziz alias Abdul Aziz Bin Abu Bakar *(Non-Executive Chairman)*
Dato' Sri Anthony Francis Fernandes *(Group Chief Executive Officer)*
Dato' Kamarudin Bin Meranun *(Deputy Group Chief Executive Officer)*
Conor Mc Carthy *(Non-Executive Director)*
Dato' Leong Sonny alias Leong Khee Seong *(Independent Non-Executive Director)*
Fam Lee Ee *(Independent Non-Executive Director)*
Dato' Mohamed Khadar Bin Merican *(Independent Non-Executive Director)*
Datuk Alias Bin Ali *(Independent Non-Executive Director)*

To: Our shareholders

Dear Sir/Madam,

SHAREHOLDERS' APPROVAL AND RATIFICATION FOR THE PROVISION OF FINANCIAL ASSISTANCE IN THE FORM OF PAYMENTS MADE BY AIRASIA FOR AND ON BEHALF OF IAA AND TAA AND WORKING CAPITAL ADVANCES BY AIRASIA TO IAA AND TAA, BOTH 49%-OWNED COMPANIES OF AIRASIA

1. INTRODUCTION

On 6 July 2009, RHB Investment Bank, on behalf of your Board, announced that pursuant to Paragraph 8.23 and Practice Note No. 11/2001 of the Bursa Securities LR on the provision of financial assistance, our Company intends to seek from you the following:

- (i) Ratification for the provision of financial assistance in the form of payments made by our Company for and on behalf of IAA and TAA, both 49%-owned companies of our Company, for those functions set out in Section 2.1 below and working capital advances by our Company to IAA and TAA totalling approximately RM355 million and RM248 million respectively as at 31 December 2008; and
- (ii) Approval and ratification for the provision of financial assistance in the form of payments made and to be made by our Company for and on behalf of IAA and TAA for those functions set out in Section 2.1 below and working capital advances by our Company to IAA and TAA.

With regards to the Ratification, your prior approval should have been procured pursuant to Paragraphs 1.03 and 8.23 (2)(c) of the Bursa Securities LR. Nevertheless, in light of unanticipated events in the international oil market and global financial markets, our Company took swift and timely action to unwind our fuel hedges and terminate our interest rate swap contracts with the view of immediately minimising current and future losses as well as to shield our Company from the burden of mark-to-market swings and protect our Company's cash position. As a result of these events, we were not able to obtain your prior approval when the net amount owing to our Company by each of IAA and TAA (which is deemed as provision of financial assistance by our Company) breached 5% of our Group's NTA. Please refer to Section 2.1 below for further details on the Ratification.

The purpose of this Circular is to provide you with the relevant information on the Proposals together with the recommendation of your Board and to seek your approval / ratification for the ordinary resolution pertaining to the Proposals to be tabled at our forthcoming EGM. The Notice of the EGM and the Form of Proxy are enclosed with this Circular.

WE ADVISE YOU TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION ON THE PROPOSALS.

2. DETAILS OF THE PROPOSALS

2.1 Details of the Ratification

Our Company has, for ourselves and on behalf of our Group, on an ongoing basis, negotiated the principal operational related contracts in bulk with our key vendors and service providers to meet the requirements of our Group. Such contracts and/or practices would place the burden of timely settlement on our Company, which essentially means our Company having to pay for those functions provided to our Group collectively. Internally within our Group, arrangements have been made for the beneficiary companies within our Group (including IAA and TAA) to reimburse our Company for their respective allocated portions. In addition to these payments made by our Company to third parties, our Company has also provided advances to IAA and TAA for working capital purposes (payments made to third parties and direct working capital advances by our Company shall hereinafter collectively be known as "**Amount Owing To AirAsia**"). Correspondingly, our Company also collects on behalf of the companies within our Group (including IAA and TAA) their online sales revenue ("**Amount Owing By AirAsia**"). The settlement between our Company and our group of companies is principally effected by way of 'netting-off' the Amount Owing To AirAsia and the Amount Owing By AirAsia ("**Net Amount Owing To AirAsia**") although there have been occasions when settlement were made on direct basis i.e. cash settled. As at 31 December 2008, the Amount Owing To AirAsia from IAA and TAA was approximately RM974 million and RM457 million respectively, whilst the Amount Owing By AirAsia to IAA and TAA was approximately RM619 million and RM209 million respectively. As such, the Net Amount Owing To AirAsia by IAA and TAA as at 31 December 2008 was approximately RM355 million and RM248 million respectively (collectively "**Total Net Amount Owing To AirAsia**").

As a result of the arrangements outlined above and based on our Company's understanding of the Bursa Securities LR, our Company is deemed to have provided financial assistance (as defined in Paragraph 8.23 (1) of the Bursa Securities LR) to IAA and TAA. In addition, the amount of financial assistance provided to each of IAA and TAA exceeded 5% of our Group's NTA as at 31 December 2008, which stood at approximately RM1.6 billion. Hence, pursuant to Paragraph 8.23 (2)(c) of the Bursa Securities LR, your Board is seeking your ratification of the financial assistance provided by our Company to IAA and TAA.

Our Company is finalising the FA Agreements to be entered into with IAA and TAA respectively to inter alia formalize the provision of financial assistance to IAA and TAA, as provided by the Total Net Amount Owing To AirAsia. In this respect, the FA Agreements will stipulate that the Total Net Amount Owing To AirAsia are to be repaid together with interest calculated at the rate equivalent to our Company's average cost of borrowings commencing from 1 January 2010 until the Total Net Amount Owing To AirAsia is fully repaid, and such interest to accrue on an annual basis.

The functions provided by our Company on a group wide basis to IAA and TAA includes the following:

- (i) Maintenance reserve fund with third party engine and airframe lessors
- (ii) Aircraft leasing costs
- (iii) Aircraft maintenance costs
- (iv) Financial services, which includes interest rate hedging, fuel hedging, foreign exchange hedging
- (v) Airline operations and commercial services which includes:
 - (a) Insurances, advertising, human resources, branding, marketing
 - (b) Aeronautical and route charges
 - (c) Fuel cost
 - (d) Allocated hardware and software maintenance costs for the installation of a centralized system, which includes ticket reservation systems, on-line sales platform

2.2 Details of the Proposed Provision of Financial Assistance

The FA Agreements will also govern the provision of additional and future financial assistance to IAA and TAA in the form of (a) payments made by our Company to third parties (including our Company's key vendors and service providers) on behalf of IAA and TAA or (b) any indebtedness by IAA and TAA to our Company except for indebtedness arising from services performed by our Company on a contractual basis from 1 January 2009. Pursuant to the FA Agreements, the amount of financial assistance to be provided to each of IAA and TAA, at any given time, shall not exceed 10% of our Group's NTA based on the latest available audited financial statements.

The aggregate amount of all invoices issued in a given month to IAA and TAA respectively, as provided by the Amount Owing To AirAsia, shall be netted off against any Amount Owing By AirAsia in the same month. A statement particularising the Net Amount Owing To AirAsia shall be issued to IAA and TAA as at the end of each month and such amount shall be payable by IAA and TAA respectively to our Company not later than 30 days from the receipt of the monthly statement, failing which our Company shall be entitled to late payment interest equivalent to our Company's average cost of borrowings from the due date until payment, and such interest to accrue on a daily basis.

Hence, pursuant to Paragraph 8.23 (2) (c) of the Bursa Securities LR, your Board is seeking your approval for the Proposed Provision of Financial Assistance as the amount of financial assistance provided and to be provided to each of IAA and TAA shall be up to 10% of our Group's NTA, which will exceed the threshold of 5% of our Group's NTA as provided in Paragraph 8.23 (2) (c) of the Bursa Securities LR.

During the 3-month period from 1 January 2009 to 31 March 2009 (*being the latest practicable date of which such amounts are publicly available prior to the printing of this Circular*), the Net Amount Owing To AirAsia by IAA (which is deemed as our provision of financial assistance to IAA) is approximately RM19 million. Conversely, during that period, we owe TAA approximately RM20 million and hence, no provision of financial assistance is deemed to be provided to TAA.

Please refer to Section 2.1 above for further details on the functions provided by our Company on a group wide basis to IAA and TAA.

3. RATIONALE FOR THE PROPOSALS

The financial assistance provided / to be provided by our Company to IAA and TAA was / will be necessary to facilitate the ordinary course of business of IAA and TAA as those operational related contracts negotiated / to be negotiated by our Company for our Group's requirements (including for IAA and TAA) ensure that our Group continues to enjoy lower costs and achieve a profitable operation as a result of the benefits of economies of scale. Further, these arrangements have also enabled / will enable each of the operating companies within our Group (regardless of location) to operate efficiently due to their largely similar cost base as well as with uniformity in their standards of operation and to maintain consistency in their fare pricing to sustain our Group's low-fare model system-wide.

4. INFORMATION ON IAA AND TAA

4.1 Background information on IAA

IAA was incorporated under the laws of Indonesia on 6 December 1999 and was registered in Jakarta as a limited liability company for the provision of passenger air transportation services. IAA has an authorized share capital of IDR200,000,000,000 comprising 200,000 ordinary shares of IDR1,000,000 each of which 180,000 ordinary shares have been issued and paid up. IAA is principally involved in providing air transportation services.

The details of the Commissioners, Directors and shareholders of IAA and their respective shareholdings in IAA as at 17 July 2009 are as follows:

Name of Commissioners	No. of securities held	%
Pin Harris	36,000	20.0
Sendjaja Widjaja	-	-
Johnny Gerard Plate	-	-
DSTF	-	-
DKBM	-	-

Name of Directors	No. of securities held	%
Dharmadi	-	-
Titus Iskandar	-	-
Moeharjanto Sasono	-	-
Perbowoadi	-	-
Poedjiono	-	-
Widijastoro Nugroho	-	-

Name of shareholders	No. of securities held	%
Pin Harris	36,000	20.0
PT Langit Biru Nusantara	37,800	21.0
PT Fersindo Nusaperkasa	18,000	10.0
AAIL	88,200	49.0

4.2 Background information on TAA

TAA was incorporated under the laws of Thailand on 19 September 2003 and was registered in Bangkok as a limited liability company for the provision of passenger air transportation services. TAA has a registered share capital of THB400,000,000 comprising 40,000,000 ordinary shares of THB10 each of which 40,000,000 ordinary shares have been issued and paid up. TAA is principally involved in providing air transportation services.

The details of the Directors and shareholders of TAA and their respective shareholdings in TAA as at 17 July 2009 are as follows:

Name of Directors	No. of securities held	%
Pornanan Gerdprasert	1	*
Gp.Capt. Tanapat Ngamplang	1	*
Preechaya Rasametanin	1	*
Tassapon Bijleveld	399,994	1.0
DSTF	-	-
DKBM	-	-

Note:

* *Negligible*

Name of shareholders	No. of securities held	%
AACL	20,000,000	50.0
AAIL	19,600,000	49.0
Tassapon Bijleveld	399,994	1.0

5. FINANCIAL EFFECTS OF THE PROPOSALS

The Proposals will not have any effect on our issued and paid up share capital and substantial shareholders' shareholdings in our Company. The Proposals will not have any material effects on the earnings, net assets and gearing of our Group for the financial year ending 31 December 2009. In addition, the Ratification did not have any material effects on the earnings, net assets and gearing of our Group for the financial year ended 31 December 2008. Nevertheless, pursuant to the Ratification, in the event that TAA and IAA do not settle the Total Net Amount Owing To AirAsia, your Board expects dilution in the earnings per share as a result of write-offs on the Total Net Amount Owing To AirAsia in the future. Notwithstanding the above, the final financial impact of the write-offs on the earnings per share would depend on the performance of our Group in that financial year.

6. APPROVALS REQUIRED

The Proposals are subject to your approval / ratification at our forthcoming EGM. In addition, our Company will comply with Bank Negara Malaysia's Foreign Exchange Administration Rules, where applicable, in relation to the Proposals.

The Proposals are not conditional upon the proposal stated in Appendix I, Section 6.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The Proposals would not be regarded as related party transactions as none of our directors and major shareholders as defined in the Bursa Securities LR, and persons connected to our director and major shareholders are interested in the Proposals as they and persons connected to them do not have any direct interest in TAA and IAA (save for the indirect interest in IAA and TAA via our Company) or are entitled to receive any commission or other kinds of benefit from our Company, TAA or IAA in relation to the Proposals.

8. DIRECTORS' RECOMMENDATION

Your Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interests of our Group.

Accordingly, your Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposals to be tabled at our forthcoming EGM.

9. EGM

Our EGM, the notice of which is set out in this Circular, will be held at AirAsia Academy, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, on Monday, 3 August 2009 at 12.00 p.m. or immediately after the conclusion or the adjournment (as the case maybe) of our Sixteenth Annual General Meeting, which has been scheduled to be held at the same venue, on the same day and date at 10.00 a.m., whichever is later, for the purpose of considering and, if thought fit, passing with or without modifications, the resolution to give effect to the Proposals.

If you are unable to attend and vote in person at our EGM, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions therein as soon as possible so as to arrive at our registered office at 25-5 Block H, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not later than 48 hours before the time fixed for our EGM or any adjournment thereof. The last day and time for you to lodge the Form of Proxy is on Saturday, 1 August 2009 at 12.00 p.m. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our EGM should you subsequently wish to do so.

10. FURTHER INFORMATION

You are requested to refer to the attached appendix of this Circular for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
AIRASIA BERHAD

Dato' Abdel Aziz alias Abdul Aziz Bin Abu Bakar
Non-Executive Chairman

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FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information in this Circular. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make a statement in this Circular false or misleading.

2. WRITTEN CONSENT

RHB Investment Bank has given its written consent to include its name and/or all references thereto in this Circular in the form and context in which they appear and have not, prior to the issue of this Circular, been withdrawn.

3. DECLARATION OF CONFLICT OF INTEREST

Save as disclosed below, after making enquiries as were reasonable in the circumstances, RHB Investment Bank is not aware of any circumstances that would give rise to a conflict of interest in its capacity as the principal adviser in relation to the Proposals.

RHB Investment Bank and/or its related companies engage in transactions with and perform services for our Group in their ordinary course of business. RHB Investment Bank and/or its related companies have extended credit facilities and/or have engaged or in the future may engage in private banking, commercial banking and investment banking transactions in the ordinary course of business to our Group.

YBhg Dato' Mohamed Khadar bin Merican holds directorships in RHB Capital Berhad, RHB Investment Bank and RHB Investment Management Sdn. Bhd. as well as being an Independent Non-Executive Director of our Company. Further, your Board is fully informed of and aware of the conflict and potential conflict of interest situations and is agreeable to proceed with the present arrangement.

4. MATERIAL CONTRACTS

Neither we nor our subsidiaries have entered into any material contracts (not being contracts in the ordinary course of business) within 2 years immediately preceding the date of this Circular.

5. MATERIAL LITIGATION

As at the date of this Circular, neither we nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on our financial position or business, and we are not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially affect our financial position or business.

6. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals and as disclosed below, we and/or our subsidiaries have not announced any corporate proposals, which have yet to be completed, as at the date of this Circular:

- (i) On 29 June 2009, our Company announced a proposed placement of up to 20% of our issued and paid-up share capital. Further details of the transaction would be made available upon appointment of the proposed agent(s).

FURTHER INFORMATION (Cont'd)

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 25-5 Block H, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia during office hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our EGM:

- (i) our Memorandum and Articles of Association;
- (ii) our audited consolidated financial statements for the past 2 financial years ended 31 December 2007 to 2008;
- (iii) our unaudited consolidated financial results for the first quarter ended 31 March 2009;
- (iv) a letter of consent referred to in Section 2 of Appendix I of this Circular; and
- (v) FA Agreements in latest draft form, which are pending finalisation and execution.

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AIRASIA BERHAD

(Company No.: 284669-W)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of AirAsia Berhad (the “Company”) will be held at AirAsia Academy, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, on Monday, 3 August 2009 at 12.00 p.m. or immediately after the conclusion or the adjournment (as the case maybe) of the Sixteenth Annual General Meeting which has been scheduled to be held at the same venue, on the same day and date at 10.00 a.m., whichever is later, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION

“**THAT** all financial assistance provided and to be provided by the Company to PT Indonesia AirAsia (“IAA”) and Thai AirAsia Co. Ltd. (“TAA”), in the manner as described and detailed in Section 2.1 of the Circular to Shareholders dated 18 July 2009, be and is hereby ratified and approved provided that the amount of additional and future financial assistance provided and to be provided to each of IAA and TAA shall be up to and not exceed 10.0% of the consolidated net tangible assets of the Company;

AND THAT the Directors of the Company be and is hereby authorised to act and to take all steps and do all things as they may deem fit, necessary, expedient and/or appropriate in order to finalise, implement and/or give full effect to such provision of financial assistance, including to finalise and execute the Financial Assistance Agreements and to assent to any modification, variation and/or amendment thereto thought by the Directors to be in the interests of the Company, and with all preparatory steps taken and things done to date by the Directors of the Company in respect of such provision of financial assistance to be hereby also duly ratified.”

BY ORDER OF THE BOARD

Jasmindar Kaur A/P Sarban Singh (MAICSA No. 7002687)
Company Secretary

Selangor Darul Ehsan, Malaysia
18 July 2009

Notes:

- 1. Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Article 43(1) of the Company's Articles of Association, only those Foreigners (as defined in the Articles) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total issued and paid-up capital, on a first-in-time basis based on the Record of Depositors to be used for the Extraordinary General Meeting, shall be entitled to vote. Consequently, a proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote, and such disenfranchised voting rights shall be automatically vested in the Chairman of the Extraordinary General Meeting.*
- 2. A member entitled to attend and vote is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative), to attend and vote in his stead. A proxy need not be a member of the Company.*
- 3. The Form of Proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*

4. *Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one but not more than two (2) proxies in respect of each securities account it holds to which ordinary shares in the Company are credited.*
6. *The Form of Proxy or other instruments of appointment shall not be treated as valid unless deposited at the Registered Office of the Company at 25-5, Block H, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting. **Faxed copies of the duly executed Form of Proxy are not acceptable.***



AIRASIA BERHAD

(Company No.: 284669-W)

(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

I/We _____ NRIC No. / Passport No. / Co No.: _____
(FULL NAME IN BLOCK LETTERS) (COMPULSORY)

of _____ being a
(ADDRESS)

member of AIRASIA BERHAD ("the Company") hereby appoint _____
(FULL NAME IN BLOCK LETTERS)

NRIC No. / Passport No.: _____ of _____
(COMPULSORY) (ADDRESS)

_____ and/or _____
(FULL NAME IN BLOCK LETTERS)

NRIC No. / Passport No.: _____ of _____
(COMPULSORY) (ADDRESS)

as my / our proxy(ies) to attend and vote in my / our name and on my / our behalf at the Extraordinary General Meeting of the Company to be held at AirAsia Academy, Lot PT25B, Jalan KLIA S5, Southern Support Zone, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, on Monday, 3 August 2009 at 12.00 p.m. or immediately after the conclusion or the adjournment (as the case maybe) of the Sixteenth Annual General Meeting, which has been scheduled to be held at the same venue, on the same day and date at 10.00 a.m., whichever is later.

	FOR	AGAINST
Ordinary Resolution		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting as he/she thinks fit)

No. of shares held:	
CDS Account No.:	
The proportion of my/our holding to be represented by my/our proxies are as follows:	First Proxy : _____ % Second Proxy: _____ %

Signed this _____ day of _____, 2009

Signature of Shareholder/Common Seal

(Before completing the form, please refer to the notes overleaf)



Notes to Form of Proxy:

1. *Pursuant to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and Article 43(1) of the Company's Articles of Association, only those Foreigners (as defined in the Articles) who hold shares up to the current prescribed foreign ownership limit of 45.0% of the total issued and paid-up capital, on a first-in-time basis based on the Record of Depositors to be used for the Extraordinary General Meeting, shall be entitled to vote. Consequently, a proxy appointed by a Foreigner not entitled to vote, will similarly not be entitled to vote, and such disenfranchised voting rights shall be automatically vested in the Chairman of the Extraordinary General Meeting.*
2. *A member entitled to attend and vote is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative), to attend and vote in his stead. A proxy need not be a member of the Company.*
3. *The Form of Proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*
4. *Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one but not more than two (2) proxies in respect of each securities account it holds to which ordinary shares in the Company are credited.*
6. *The Form of Proxy or other instruments of appointment shall not be treated as valid unless deposited at the Registered Office of the Company at 25-5, Block H, Jalan PJU 1/37, Dataran Prima, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the meeting. **Faxed copies of the duly executed Form of Proxy are not acceptable.***

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
AIRASIA BERHAD
(Company No.: 284669-W)
25-5 BLOCK H
JALAN PJU 1/37
DATARAN PRIMA
47301 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

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