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CATHAY PACIFIC AIRWAYS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 293)

Announcement

Profit Warning

The financial results of Cathay Pacific Airways Limited (“Cathay Pacific”) for 2008, including those for the first half, are expected to be disappointing. Cathay Pacific's financial performance is being materially and adversely affected by the high price of jet fuel, with the average price paid by Cathay Pacific in the first half of 2008 60% above that paid in the first half of 2007. The most recent spot price for jet fuel is 93% higher than the average price paid by Cathay Pacific in 2007. In view of the volatility of the jet fuel price and the limited and uncertain extent to which this rapidly rising cost can be offset by fuel surcharges, it is not possible to estimate accurately the effect of high jet fuel prices on the 2008 financial results.

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Investors are advised to exercise caution in dealing in shares of Cathay Pacific.

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, 2nd July 2008