WALLIS TRADING INC
80 Broad Street
Monrovia
Liberia

Air Tanzania Company Limited
PO Box 543,
Ohio/Garden Avenue,
Dar es Salaam,
Tanzania

5 March, 2008

For the attention of the Managing Director

Dear Sirs

Lease Agreement dated 9 October, 2007 (the "Lease Agreement") for one A-320 214 aircraft, msn 630 (the "Aircraft")

We refer to the Lease Agreement that we have signed with you, under the terms of which we have agreed to lease the Aircraft to you from the time when we complete our purchase of the Aircraft. Terms defined in the Lease Agreement have the same meanings when used in this letter.

Reference is also made to the numerous conversations and emails exchanged recently in connection with the date when the Guarantee would be issued by the Tanzanian Government. None of the many promises that have been made to us as Lessor have been kept. As a result we as Lessor find ourselves in a situation which is quite unacceptable. We have made it clear to you all along that our waiver of the requirement for the Guarantee issued by the Tanzanian Government was only a temporary waiver. The work on the Aircraft has now almost finished, so you wish the Aircraft to be moved to Tanzania to start commercial operations. For that, the Aircraft would need to be registered on the Tanzanian Register.

We have always been clear that this would not be permitted by us without the Guarantee issued by the Tanzanian Government. That, as indicated above, has not been delivered.

This situation leaves us with no alternative but to notify you of the following, which we now do formally by this letter.

1. All waivers that are currently in operation are now terminated.

2. Therefore, numerous Events of Default now exist. These include non-payment of sums that are now overdue, as well as failure to fulfill conditions precedent within the permitted time.

3. We require the following to be completed by close of business (London time) on Monday March 10, 2008, to remedy those Events of Default:

   (a) all sums overdue as per the latest statement sent with this letter must be paid, and

   (b) either (i) the Guarantee shall have been issued by the Tanzanian Government, or (ii) a revolving Standby Letter of Credit shall have been issued in our favour by a bank acceptable to us for an amount of US$10,000,000, on terms acceptable to us.

4. In case all of the requirements of paragraph (3) above are not fulfilled within the time limit specified, then you are hereby notified that your right to use the Aircraft under the Lease Agreement shall be terminated, with effect from midnight (London time) on Monday March 10, 2008. Thereupon:

   (a) The letting of the Aircraft to you as Lessee under the Lease shall terminate immediately,

   (b) we as owner shall then immediately retake possession of the Aircraft and all Aircraft Documents,

   (c) you will then be required to redeliver to us possession of the Aircraft and all Aircraft Documents,

   (d) we reserve all rights to recover from you all sums that we may incur in taking action to retake possession of the Aircraft and all Aircraft Documents, and all such sums that you may owe us may be set-off against any claims that you may have against us (in relation to which we deny that we have any liability whatsoever).

We notify you that no further warning or notice will be sent by us; this is the last communication that we send before taking the actions set out in paragraph (4) above, unless all of the actions set out in paragraph (3) above shall have been taken by you within the time limit therein specified.

Yours faithfully

WALLIS TRADING INC

by: _____

A. H. Wettern
Attorney-in-fact