

STANDARD FORM – NOTIFICATION OF THE ACQUISITION OR DISPOSAL OF MAJOR PROPORTIONS OF VOTING RIGHTS

VOTING RIGHTS ATTACHED TO SHARES— ARTICLE 85 OF THE ACT ON SECURITIES TRANSACTIONS NO. 108/2007

- 1. Identity of the issuer or the underlying issuer of existing shares to which voting rights are attached ⁱ: ICELANDAIR GROUP hf. (ICEAIR)
- 2. Reason for the notification (please tick the appropriate box or boxes): [x] an acquisition or disposal of voting rights
 - [] an acquisition or disposal of financial instruments which may result in the acquisition of shares already issued to which voting rights are attached
 - [] an event changing the breakdown of voting rights
- 3. Full name of person(s) subject to the notification obligation ii:
- 4. Full name of shareholder(s) (if different from the person mentioned in point 3.) iii: Icebank hf. Id.number 681086-1379
- 5. Date of the transaction and date on which the threshold is crossed or reached ^{iv}: November 26th 2008
- 6. Threshold(s) that is/are crossed or reached: 5.0%
- 7. Notified details:

A) Voting rights attached to shares									
Class/type of shares (if possible using the ISIN CODE)	Situation previous to the Triggering transaction		Resulting situation after the triggering transaction vi						
	Number of Shares	Number of Voting rights vii	Number of shares	Number of voting rights viii		% of voting rights			
			Direct	Direct ix	Indirect x	Direct	Indirect		
ICEAIR IS0000013464	38.017. 006	38.017. 006	93.572. 562	93.572. 562		9,36%			
SUBTOTAL A (based on aggregate voting rights)					•				

B) Financial Instruments										
Resulting situation after the triggering transaction ^{xi}										
Type of financial instrument	Expiration Date xii	Exercise/Conversio n Period/ Date xiii	Number of voting rights that may be acquired if the instrument is exercised/converted	% of voting rights						
		SUBTOTAL B (in relation to all expiration dates)								

Total (A+B) [if applicable]	number of voting rights	% of voting rights	

- 8. Chain of controlled undertakings through which the voting rights and/or the financial instruments are effectively held, if applicable xiv:
- 9. In case of proxy voting: [name of the proxy holder] will cease to hold [number] voting rights as of [date].
- 10. Additional information:

Due to margin call Icebank acquired the shares from the former owners.

Hulda Hakonardittir

Reykjavik, December 19th 2008