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MEDIA RELEASE

REX READY TO ASSIST CAPE RESIDENTS

Following the announcement by Skytrans Pty Ltd (Skytrans) of its immediate cessation of all air services, Regional Express (Rex) announced today that it has started putting together an emergency plan to provide air services to the Cape communities most affected by Skytrans' collapse.

"Rex is fully aware of the critical importance of air services to some of the very isolated communities in the Cape especially during the wet season. Having been entrusted by the Queensland Government to provide services to the Gulf route, which started smoothly and successfully on 1 January, we believe it is incumbent on Rex to step in and fill the void as a mark of appreciation of the tremendous trust the Queensland Government has placed in us," Rex's Chief Operating Officer Neville Howell said.

"Rex will immediately notify the Civil Aviation Safety Authority (CASA) of our intention to fly some of the routes abandoned by Skytrans. We expect to get clearances within 6 weeks after which we could commence limited operations to some of the cities affected. We will also mobilise additional aircraft and crew to carry out a fuller service within 3-4 months after a feasibility analysis."

"In the meantime Rex will request permission from CASA and Skytrans to perform emergency charter substitution services so that the communities will not be completely cut off for weeks."

"To assist us in our planning, we are calling all affected town councils to get in touch with us immediately at CompanySecretary@rex.com.au so that we can prioritise the needs. Staff and suppliers of Skytrans can also get in touch with us if they wish to work with Rex in our expanded operations in northern Queensland."

"Rex wishes to place on record its admiration and respect of the owner and CEO of Skytrans Mr Simon Wild for placing his staff and suppliers ahead of his own interest. It is indeed rare, if not unheard of, for an owner to set aside enough money to pay out all redundancies and liabilities before ceasing operations. Mr Wild is indeed one of the few honourable men left in this industry."

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of more than 40 Saab 340 aircraft on some 1,300 weekly flights to 52 destinations throughout New South Wales, Victoria, Tasmania, South Australia and Queensland. The Rex Group comprises Regional Express, air freight and charter operator Pel-Air Aviation and Dubbo-based regional airline Air Link, as well as the pilot academy Australian Airline Pilot Academy.

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