

7 FEBRUARY 2014

MEDIA RELEASE

REX GROUP NOT PROCEEDING WITH NSW ROUTE LICENCE APPLICATION

The Regional Express (Rex) Group today announced that its subsidiary Air Link would not be in a position to apply for the Cobar and Mudgee route licences ahead of the 7 February 2014 deadline dictated by Transport for NSW, as negotiations on partnership agreements with both councils had not yet been completed.

Air Link's Chief Operating Officer David Brooksby said that the two routes in question were a significant commercial risk and the Rex Group would not undertake a commitment unless it had reasonable confidence of its viability.

Mr Brooksby clarified, "The two routes would be serviced by a single aircraft in a coordinated schedule. Agreement has to be reached with both councils before our proposed schedule can be implemented. Unfortunately this has not been the case as of the deadline."

"As the deadline has been reached, we consider the matter closed. Even if the deadline is extended, Rex is not confident of reaching an agreement given the ambivalent position of one of the mayors."

Rex also announced that it will not be applying for the Moree licence as the latter did not respond to Rex's call for Expressions of Interest. Rex will shortly announce the successful city for its thrice daily services to Sydney Airport with slots in the morning and evening peak hours.

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 35 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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