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To the creditors

18 November 2024

Regional Express Holdings Limited	ACN 099 547 270
Air Partners Pty Ltd	ACN 065 221 356
Regional Express Pty Ltd	ACN 101 325 642
Rex Airlines Pty Ltd	ACN 642 400 048
Rex Investment Holdings Pty Ltd	ACN 101 317 677
(Administrators Appointed)	

(together “the Companies” or “the Rex Group”)

Dear Sir / Madam

We refer to the appointment of Adam Nikitins, Justin Walsh and I as Joint and Several Administrators (**Administrators**) of the Rex Group on 30 July 2024 and the previous circulars issued to creditors of the Companies.

We hereby give notice that on 16 November 2024 the Administrators filed an interlocutory application with the Federal Court of Australia (**Application**). The Application seeks orders under sections 439A(6) and 447A of the *Corporations Act 2001* (Cth) (**Corporations Act**), section 90-15 of the *Insolvency Practice Schedule (Corporations)* (being Schedule 2 to the Corporations Act), and sections 37AF and 37AG of the *Federal Court of Australia Act 1976* (Cth).

The orders sought relate to, amongst other things:

- ▶ a further extension of the convening period of the administration to no later than 30 June 2025;
- ▶ orders relating to the Administrators and Companies’ entry into, and performance of, finance and security agreements with the Australian Government (**Finance and Security Agreements**); and
- ▶ limiting the personal liability of the Administrators in relation to the Finance and Security Agreements.

It remains our view that the greatest return to creditors is likely to be derived from a sale or recapitalisation of the regional business as a going concern. The proposed extension of the administration also sees the almost one thousand Rex employees remain in work, ongoing work for continuing suppliers of Rex, and critical flight services to regional Australia maintained.

Business improvement plan

The Administrators will embark on a business improvement plan enabled by a \$80 million Australian Government financing facility. The new funding will enable a significant investment in the performance of the Rex business to improve reliability and capacity.

This improvement plan is designed to position the business for sale in 2025.

Sales process update

Following a competitive sales process, the Administrators have secured a sale of the wholly owned specialist aeromedical subsidiary, Pel Air and the sale of a number of assets such as the 50% interest in NJE and spares and rotables relating to the now ceased Boeing 737 operation.

These sales will contribute to a return to secured creditors. Other asset sales are ongoing.

Former Employee's entitlements

Former employees of Regional Express Holdings have now received payment of their leave, notice and redundancy entitlements, while the Australian Government has also provided Rex Airlines Pty Ltd (Administrators Appointed) employees with early access to the Fair Entitlements Guarantee.

Application for extension of voluntary administration

A copy of the Application is attached as **Annexure A**.

The Application is listed to be heard on 20 November 2024 before the Honourable Justice Markovic at 12:00pm. The hearing will take place at:

Federal Court of Australia
Law Courts Building
184 Phillip Street
Sydney NSW 2000

Please note that there is no need to take any action unless you wish to attend. Parties interested in attending should review the Federal Court daily court list for confirmation of details of the Court in which the Application is to be heard.

The Administrators will continue to liaise with the Committee of Inspection as the administration progresses.

Questions regarding the administration should be directed to this office by email at rex.creditors@au.ey.com.

Yours sincerely



Sam Freeman
Joint and Several Voluntary Administrator

Form 3 Interlocutory process

(rules 2.2, 15A.4, 15A.8 and 15A.9)

No. NSD1050 of 2024

Federal Court of Australia

District Registry: New South Wales

Division: Commercial and Corporations

IN THE MATTER OF REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED) AND OTHERS

SAMUEL FREEMAN, JUSTIN WALSH AND ADAM NIKITINS IN THEIR CAPACITY AS JOINT AND SEVERAL ADMINISTRATORS OF EACH OF REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED) AND THE THIRD TO SIXTH PLAINTIFFS NAMED IN THE SCHEDULE

First Plaintiffs

AND OTHERS NAMED IN THE SCHEDULE

A. DETAILS OF APPLICATION

This application is made pursuant to sections 439A(6) and 447A of the *Corporations Act 2001* (Cth) (**Corporations Act**), section 90-15 of the *Insolvency Practice Schedule 2016* (Cth), being Schedule 2 to the *Corporations Act (IPSC)* and sections 37AF and 37AG of the *Federal Court of Australia Act 1976* (Cth).

This is an application by the Second to Sixth Plaintiffs (**Rex Companies**) and the First Plaintiffs, their administrators (**Administrators**), for various orders facilitating the administration of each of the Rex Companies under the provisions of Part 5.3A of the *Corporations Act*.

On the facts stated in the supporting affidavit of Adams Pauls Nikitins affirmed 15 November 2024 (**Nikitins Affidavit**), and adopting the terms defined above, the plaintiffs apply for the following relief:

Extension of Convening Period

1. Pursuant to section 447A of the *Corporations Act 2001* (Cth) (**Corporations Act**), Pt 5.3A of the *Corporations Act* is to operate in relation to the Second to Sixth Plaintiffs (**Rex Companies**) as if, notwithstanding the provisions in section 439A of the *Corporations Act*, the convening period of the Rex Companies was the period up to and including 30 June 2025.

Filed on behalf of (name & role of party)	First to Sixth Plaintiffs		
Prepared by (name of person/lawyer)	Jillian McAleese		
Law firm (if applicable)	White & Case LLP		
Tel	+ 61 2 8249 6602	Fax	+ 61 2 8249 2699
Email	jillian.mcaleese@whitecase.com		
Address for service (include state and postcode)	Level 50, Governor Philip Tower, 1 Farrer Place Sydney NSW 2000		

2. Pursuant to section 447A of the Corporations Act, Part 5.3A of the Corporations Act is to operate in relation to the Rex Companies such that, notwithstanding the provisions in section 439A(2) of the Corporations Act, the second meetings of the creditors of the Rex Companies required under section 439A of the Corporations Act (**Second Meetings**) may be convened and held at any time during, or within, five (5) business days after the end of, the convening period as extended by order 1 above (as applicable), provided that the Administrators give notice of the meeting to creditors of each of the Rex Companies (including the persons or entities claiming to be creditors of the Companies) at least five business days before the meeting.

Limitation of Administrators' Liability

Commonwealth Finance Agreements

3. Pursuant to section 90-15 of the *Insolvency Practice Schedule 2016* (Cth) (**IPSC**), the Administrators are justified in entering into and performing (and causing the Rex Companies to enter into and perform) the Commonwealth Finance and Security Agreements (as defined in the Nikitins Affidavit).
4. Pursuant to section 447A(1) of the Corporations Act, Part 5.3A of the Corporations Act is to operate in relation to the Plaintiffs as if section 443A(1) of the Corporations Act provides that:
 - (a) any liabilities of the Administrators incurred with respect to any obligations arising out of, or in connection with the Commonwealth Finance and Security Agreements including monies borrowed, interest incurred in respect of monies borrowed and borrowing costs) are in the nature of debts incurred by the Administrators in the performance and exercise of their functions as joint and several administrators of the Rex Companies; and
 - (b) notwithstanding that the liabilities in subparagraph (a) are debts or liabilities incurred by the Administrators in the performance and exercise of their functions as joint and several administrators of the Rex Companies, if the property and assets of the Rex Companies (where relevant) are insufficient to satisfy these debts and liabilities, such that the indemnity under section 443D of the Corporations Act is insufficient to meet any amount for which the Administrators may be liable, then the Administrators will not be personally liable to repay such debts or satisfy such liabilities to the extent of that insufficiency.

Confidential Affidavit

5. Until the conclusion of the administration of the Rex Companies or further order of the Court, pursuant to sections 37AF(1)(b)(i) of the *Federal Court of Australia Act 1976* (Cth), on the ground stated in section 37AG(1)(a), being that the order is necessary to prevent prejudice to the proper administration of justice:
 - (a) Paragraphs 20(a), 20(b), 21(a), 21(b), 22, 23(a), 23(b), 23(c), 24(b), 28(a) (part), 31(a), 31(b), 31(c), 31(d), 31(e), 31(f), 34(d), 36(a)(i) (part), 36(a)(i)(1), 36(a)(i)(2), 36(a)(ii), 36(a)(iii), 36(b), 36(c), 36(d), 39, 41 to 42 (inclusive), 49 to 50 (inclusive), 53(b) (part) and 58 of the Nikitins Affidavit; and

- (b) Confidential Exhibit APN-2 exhibited to the Nikitins Affidavit, be kept confidential and be prohibited from disclosure to any person other than to:
- (c) a Judge of the Court and that Judge's personal staff and assistants;
- (d) the plaintiffs and their legal representatives; and
- (e) the Commonwealth of Australia and its legal representatives.

Ancillary Orders

- 6. The Administrators take all reasonable steps to cause notice of the Court's orders to be given, within one (1) business day of the making of the orders to:
 - (a) creditors (including persons or entities claiming to be creditors) of the Rex Companies, in accordance with Order 4 of the 6 August Orders; and
 - (b) the Australian Securities and Investments Commission.
- 7. Liberty be granted to any person demonstrating a sufficient interest to apply to vary or discharge any orders made above, on two (2) business days' written notice being given to the Plaintiffs and to the Court.
- 8. The Plaintiffs' costs of the application be treated as costs in the administrations of each of the Rex Companies, jointly and severally.

Date: 16 November 2024



*Signature of
 Plaintiffs' legal practitioner*

This application will be heard by at the Federal Court of Australia, Law Courts Building, 184 Phillip Street, Sydney NSW 2000 at *am/*pm on

B. NOTICE TO RESPONDENT(S) (IF ANY)

Not applicable.

C. FILING

This interlocutory process is filed by White & Case, solicitors for the Plaintiffs.

D. SERVICE

The applicant's address for service is White & Case, Level 50 Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000.

It is not intended to serve a copy of this interlocutory process on any person but it is intended that notice be given to creditors, the Commonwealth of Australia and the Australian Securities and Investments Commission.

SCHEDULE

No. NSD1050 of 2024

Federal Court of Australia

District Registry: New South Wales

Division: Commercial and Corporations List

IN THE MATTER OF REGIONAL EXPRESS HOLDINGS LIMITED (ACN 099 547 270) (ADMINISTRATORS APPOINTED) AND OTHERS

First Plaintiff	Samuel Freeman, Justin Walsh and Adam Nikitins in their capacity as joint and several administrators of each of the Second to Sixth Plaintiffs
Second Plaintiff	Regional Express Holdings Limited (Administrators Appointed) (ACN 099 547 270)
Third Plaintiff	Air Partners Pty Ltd (Administrators Appointed) (ACN 065 221 356)
Fourth Plaintiff	Rex Investment Holdings Pty Limited (Administrators Appointed) (ACN 101 317 677)
Fifth Plaintiff	Regional Express Pty Limited (Administrators Appointed) (ACN 101 325 642)
Sixth Plaintiff	Rex Airlines Pty Ltd (Administrators Appointed) (ACN 642 400 048)