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Extension sought for Rex Voluntary Administration

- Administrators of Rex have announced they intend to apply to the court for an extension of the Voluntary Administration through to 30 June 2025
- The request for an extension is supported by an \$80 million financing facility provided by the Australian Government
- The extension will support the administrators to secure a commercial future for the airline
- Former employees will shortly receive payment of leave, notice and redundancy entitlements or immediate access to the Federal Government's Fair Entitlement Guarantee

(Sydney) 11 November 2024: Samuel Freeman, Justin Walsh and Adam Nikitins of Ernst & Young Australia (EY Australia) as Joint and Several Voluntary Administrators of Regional Express Holdings Limited (Administrators Appointed) and a number of its subsidiaries (together 'the Rex Group'), announced their intention to seek an extension of the Voluntary Administration.

Today, the Australian Government announced an \$80m financing facility to support the Rex network and their intention to extend the Federal Government Regional Flight Booking Guarantee.

Speaking on behalf of the Voluntary Administrators, EY partner Sam Freeman thanked Federal Minister for Infrastructure, Transport, Regional Development and Local Government, Catherine King for her support.

"On behalf of the EY and Rex teams, our customers and the communities Rex serves, I'd like to thank Minister King for her strong support for regional Australia," said Mr Freeman.

"This Australian Government financing facility will enable us to continue to support regional communities through an extension of the voluntary administration."

Building a strong network for regional Australia

Mr Freeman said that the facility and an extension of the voluntary administration would be used to invest in a business improvement program to help secure Rex's commercial future.

This includes significant investment in the performance of the Rex business including increasing the number of operational aircraft.

"The extension we are requesting will help us to build a strong network for regional Australia, enabling us to continue to operate the regional network while undertaking a business improvement plan to reposition the business for sale," said Mr Freeman.

"We're planning to increase the size of the operational fleet, while providing greater clarity for the Rex team and investing in strategic growth initiatives.

"Through this plan, we're looking to increase reliability and capacity on the regional routes."

Sales process update

Following a competitive sales process, the Rex Group has secured a sale of the wholly owned specialist aeromedical subsidiary, Pel-Air and other non-core assets of the Group.

The sales to date have secured a return to secured creditors and other asset sales are ongoing.

While the sale of the regional network process will continue during the extension, the immediate focus of the administrators is implementing the business improvement plan.

Together, the continued trading of the business and the investment in the business improvement plan are expected to secure a greater return for creditors and continued services for the regions that rely on Rex to connect them.

Former Employee's entitlements paid

The Administrators have confirmed that former employees of Rex Airlines Pty Ltd will receive access to their Fair Entitlement Guarantee distributions. Rex's administrators and main secured creditor PAG have advised they will pay the entitlements of former employees of the regional business who have been made redundant during the Voluntary Administration period.

This ensures that former employees of Rex and Rex Airlines Pty Ltd should not be disadvantaged by the extension of the convening period.

Continued commitment to regional and remote communities

The administrators reinforced their commitment to the regional and remote communities the Rex regional network connects.

"Importantly, as we've demonstrated throughout the voluntary administration – an extension will not disrupt the continued operation of the regional network, which is such a critical part of regional and rural Australia's connectivity. The actions to be undertaken in the extension period are expected to enhance the network," said Mr Freeman.

"This is all only possible thanks to our dedicated customers, the amazing Rex team members and the support of the Australian Government. We'd like to thank them, as well as our merchants and suppliers who have provided overwhelming support and made this possible," concluded Mr Freeman.

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