

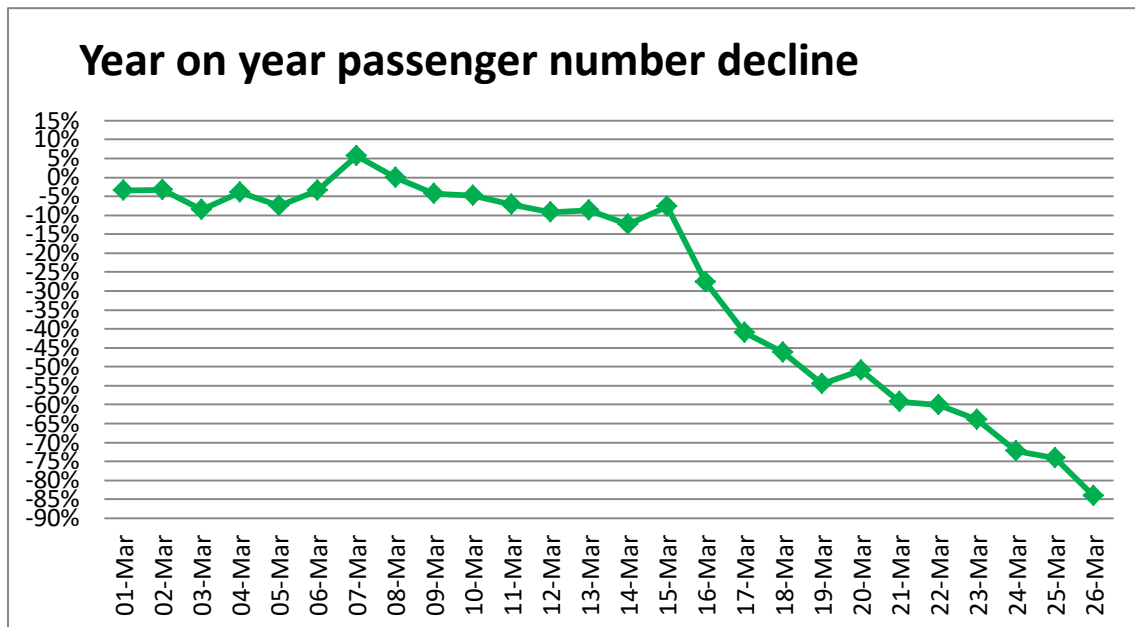
27 MARCH 2020

MEDIA RELEASE

WESTERN AUSTRALIAN GOVERNMENT STEPS UP SUPPORT FOR REGIONAL AIR SERVICES – REX RECONSIDERING PLANS TO SUSPEND ALL SERVICES FOR THE INTERIM

On Monday 23 March 2020, Regional Express (Rex) made a [final plea](#) to local, state and federal governments informing them that, without further assistance, Rex would have to decide by today to suspend its entire network from 6 April 2020 in order to conserve cash flows to weather the current crisis.

Although Rex has a very strong financial position with no debts and no lease payments, owning all its aircraft and buildings, the savage deterioration in passenger numbers in the last two weeks, as can be seen below, would put the airline out of business within a month:



By shutting down the network, standing down 90% of staff and seeking the support of service providers to allow a moratorium on payment for annual contracted services, Rex now has enough cash to last at least six to nine months in shut-down mode. Rex has also received an offer from its bank for an additional line of credit for \$10 Million as a further precaution.

Rex's warning was echoed in an ultimatum from eight other regional operators, in an Open Letter sent to the Deputy Prime Minister on Thursday 26 March 2020, urging the Government to take action within 24 hours or face the collapse of all these carriers within days.



Regional Express

Today, Rex is grateful that the Hon Rita Saffioti MLA, Minister of Transport of Western Australia (WA) has decided to put in place an [assistance package](#) that would allow Rex to maintain a reduced schedule for the next three months.

Rex's Deputy Chairman, the Hon John Sharp AM, said, "It is pleasing to see that the WA Government is stepping in to support regional aviation's indispensable role in the socio-economic and socio-medico landscape of regional WA. For example, Rex regularly transports blood to and from rural communities as well as urgent medical supplies, patients needing treatment and specialist medical consultants."

"Minister's Saffioti's intervention will allow the continued provision of some essential and irreplaceable air services by Rex between WA regional communities and Perth, hopefully buying enough time for Rex to see through the crisis," Mr Sharp added.

"Rex had prepared a media release for today announcing the total shutdown of its network. The Transport Minister's assistance package for Rex's routes in WA means that these routes would no longer be bleeding cash."

"In recognition of the partnership approach taken by the Western Australian Government and its confidence in Rex, we make a commitment today that we will keep our WA services going for at least three months, albeit at a reduced schedule to match the drop in demand, even if we shut down services in all the other routes on our network if the circumstances so require."

A further announcement will be made next week giving full details of whether Rex will proceed to shut down the rest of its network.

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of 60 Saab 340 aircraft on some 1,500 weekly flights to 60 destinations throughout all states in Australia. In addition to the regional airline **Rex**, the **Rex Group** comprises wholly owned subsidiaries **Pel-Air Aviation** (air freight, aeromedical and charter operator) and the two pilot academies **Australian Airline Pilot Academy** in Wagga Wagga and Ballarat.

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