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## MEDIA RELEASE

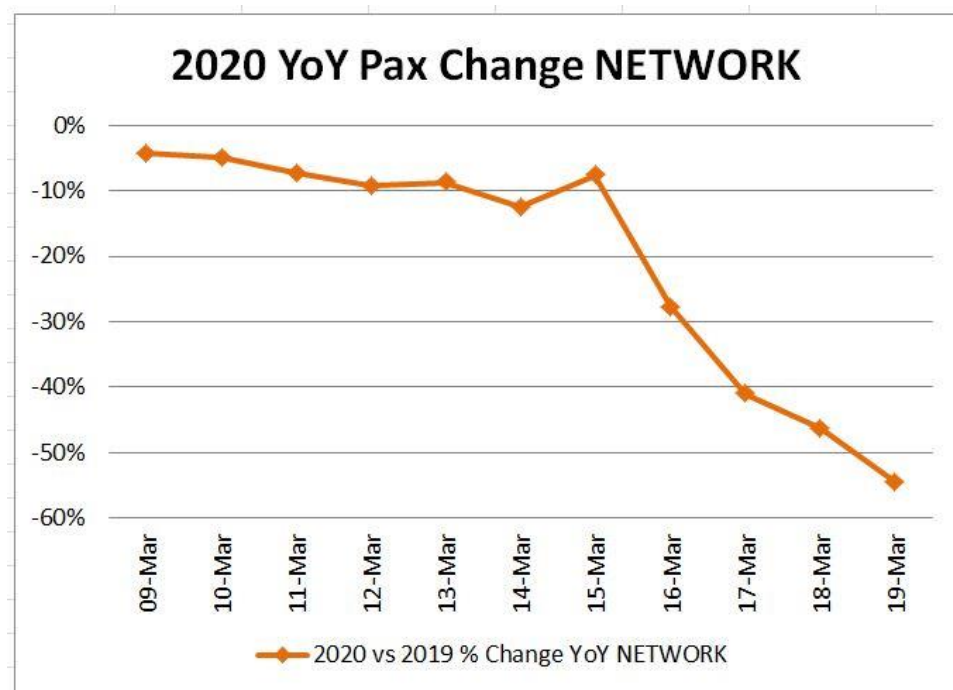
### REX TO CEASE ALL PASSENGER AIR SERVICES WITH THE EXCEPTION OF QUEENSLAND

Following an emergency Board meeting on Sunday 22 March 2020, Regional Express (Rex) has announced that it will shut down its expansive Regular Public Transport (RPT) air services in all States, except in Queensland where the services are underwritten by the Queensland Government. Operations will cease with effect from 6 April 2020 unless the Federal and State Governments are willing to underwrite the losses.

In addition to RPT services in Queensland, other activities of the Rex Group not to be affected include Ambulance Victoria fixed-wing air ambulance services, charter contracts with mining companies, freight services and pilot training at its pilot academies in Victoria and New South Wales.

Rex's Deputy Chairman, the Hon John Sharp AM said, "Rex is supportive of the strong measures taken by the Federal and State Governments such as the shutting of State borders and imposing a lockdown within the States as well as discouraging all non-essential travel. These measures will definitely reduce the number of infections from COVID-19, prevent the health care system from being overwhelmed and save many lives."

"However, tragically for the airline industry, this means that we can expect the year-on-year reduction of passenger numbers to nosedive to around 80% from the 60% we are experiencing today. There is a tipping point in the airline business beyond which it will no longer be sustainable to operate reduced services."



“We believe that with only 20% of our passenger numbers left we have reached that point and the Rex Group has decided that the quasi suspension of all services at this stage presents the best option to preserve its cash.”

“The Federal Government has acted swiftly by promising a rescue package to the airlines of \$715 Million. However, the direct benefit to Rex from this package is only \$1 Million a month which is grossly insufficient to cover the \$10 Million a month we expect to lose running the heavily reduced schedule we announced last week.”

“The US Government has put in place a rescue package of USD\$50 Billion for a total airline revenue in the USA of USD\$240 Billion – about 20% of one year’s worth of revenue. Australia’s total airline revenue is AUD\$23 Billion indicating that an equivalent effort in Australia would require a rescue package in the order of AUD\$4.6 Billion instead of the AUD\$715 Million proposed.”

“Regional air services provide an invaluable and priceless contribution to the socio-economic well-being of local communities throughout regional and remote Australia. State and Local Governments should be leading the charge in extreme times like these to assist regional carriers rather than leaving it to the Federal Government. So far the State Governments have not tabled any concrete proposals although their latest decisions of closing the borders and lockdowns will simply further decimate what remains of regional air travellers. Local councils are also a true disappointment with only two councils having proposed any meaningful assistance for Rex.”

“If an assistance package of sufficient magnitude and viability can be negotiated by the end of the week, Rex may be able to reconsider its plans to suspend services. Failure to achieve any traction in this regard will see regional communities lose their air services for many months ahead and even after this is all over, we are afraid that some of the more marginal communities will no longer have an air service.”

Passengers with bookings after the 6<sup>th</sup> April 2020 must wait until after 27<sup>th</sup> March 2020 before writing in via Rex’s website to put their bookings on credit for a future flight. No refunds will be offered as is the standard practice of all airlines during this crisis.

**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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