

Media Release

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REX ANNOUNCES SUSPENSION OF MARYBOROUGH SERVICES DUE TO PILOT SHORTAGE

Australia's largest independent regional airline, Regional Express (Rex) today announced the suspension until March 2008 of its recently commenced Brisbane – Maryborough services due to on-going pilot shortages.

Rex Managing Director Geoff Breust said, "We are extremely disappointed that we have had to take this drastic action given our major commitment to the new Maryborough service and the great support received from the Maryborough City Council, Brisbane Airport, the Queensland Government and of course our customers.

"However, given the pilot shortage, we are faced with the choice of suspending some of our regular services to build up a reserve buffer or cancelling ad hoc flights each time a pilot calls in sick. We believe that the former is the more responsible course of action and provides greater certainty to our customers. Rex has traditionally been the airline with the lowest cancellation rates in Australia and we intend for it to remain that way even in these very trying circumstances.

"This suspension is the result of a network review to identify the routes that have the lowest load factors so as to inconvenience the least number of regional travellers and follows similar initiatives that we have undertaken on the Cooma and Wagga Wagga services in New South Wales. We do not foresee any further suspension of services but we will monitor the situation very closely," said Mr Breust.

Giving further details of its pilot situation, Mr Breust said, "Rex has the full complement of pilots for its flying schedule but 15% of them are in the final stages of their two month ground school and simulator training. These pilots will progressively join Rex's flying ranks between now and Christmas. This has resulted in a thinning out of our normal pool of reserve crews to meet contingencies like last minute illnesses.

"The shortage of pilots has even been described by the chief pilot of Qantas as being even more catastrophic than the collapse of Ansett and obviously we and all other airlines are badly hit. However at Rex we are confident that the problem will be only a temporary set back. To date, we have over 700 applicants for our pilot cadet scheme and the first batch of 20 selected candidates will commence their 32 weeks of training at the Rex pilot academy on 10th December 2007. The first few intakes will be exclusively for Rex cadets before the Academy is opened to private students and cadets from other domestic or foreign airlines.

"We call on the other major airlines in Australia to train their own pilots instead of simply poaching massively from the regional airlines and the pilot training schools. So far, besides Rex, only Qantas seems to have made any plans in this direction," said Mr Breust.

The Brisbane to Maryborough services have been suspended as from today and will resume from Sunday 16 March 2008. All passengers holding reservations for travel are requested to contact the Rex Customer Contact Centre on 13 17 13. Flights can be held in credit and used for travel beyond the 16 March 2008, or alternatively a full refund will be provided.

Rex is Australia's largest independent regional airline operating a fleet of 35 Saab 340 aircraft on 1,300 flights weekly to 25 destinations from Sydney, Melbourne, Adelaide and Brisbane. The Rex Group of companies comprises of Regional Express, air freight and charter operator Pel – Air Aviation and Dubbo based regional airline, Air Link.

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