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MEDIA RELEASE

REX AWARDED 5 QUEENSLAND REGULATED ROUTES

Regional Express (Rex) today announced that the Queensland State Government has awarded Rex all five regulated routes that it applied for, following a thorough open competitive tender evaluation process after tenders closed on 27 June 2014.

The five routes are:

- **Northern 1 Route** from Townsville to Winton to Longreach and return;
- **Northern 2 Route** from Townsville to Hughenden to Richmond to Julia Creek to Mount Isa and return;
- **Gulf Route*** from Cairns to Normanton to Gununa (Mornington Island) to Burketown to Doomadgee to Mount Isa and return.
- **Western 1 Route*** from Brisbane to Toowoomba (Brisbane West Wellcamp) to St George to Cunnamulla to Thargomindah and return; and
- **Western 2 Route*** from Brisbane to Toowoomba (Brisbane West Wellcamp) to Charleville to Quilpie to Windorah to Birdsville to Bedourie to Boulia to Mount Isa and return.

Rex currently holds the contracts for the Northern 1 and 2 Routes and will continue servicing these routes from 1 January 2015 at which time Rex will commence services to the 3 new routes *subject to regulatory approval (see attached). This will position Rex as one of the biggest regional carriers in Queensland and will increase Rex's total number of destinations across Australia from 36 to 52.

Commenting on the awarding of the five routes, Rex General Manager Network Strategy and Sales, Mr Warrick Lodge said "Outback Queensland is the heartland of Australian aviation with a long and distinguished history and it deserves a safe, reliable and high quality airline service. Rex is honoured to be selected by the Queensland State Government to provide these essential services that provide critical linkages between Brisbane, Cairns and Townsville to 20 regional communities that span the entire State."

"Rex has grown the passenger numbers on the Northern 1 and 2 Routes by close to 100% since it won the contract in February 2010 and has provided a level of reliability and quality that is unmatched in the State. We make a promise to the State Government and to the local communities that we will strive to surpass the already very high quality levels we demonstrated over the last four years."

"We are also mindful of the potential loss of employment for many staff and agents of the incumbent and we are committed to hiring/keeping as many of the staff and agents as we can. We will be visiting all 16 new ports during the next two weeks where we will be hoping to have discussions with all affected parties." Mr Lodge added.

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of more than 40 Saab 340 aircraft on some 1,300 weekly flights to 36 destinations throughout New South Wales, Victoria, Tasmania, South Australia and Queensland. The Rex Group comprises Regional Express, air freight and charter operator Pel-Air Aviation and Dubbo-based regional airline Air Link, as well as the pilot academy Australian Airline Pilot Academy.

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Rex Queensland Regulated Routes:

