



3rd May 2012

The Manager
Company Announcements Office
Australian Stock Exchange Limited

Dear Sir,

The Directors of Aircruising Australia Limited advise that the loss for the 2012 financial year is expected to be at the same level as the reported 2011 trading year loss. (Loss of \$601,646).

This is primarily due to our contracted Aircraft supplier not adhering to the three year contract between both parties. This is a three year contract with two years remaining.

Given the lateness in advising Aircruising of their intentions, the staff at Aircruising have had limited time to source other suppliers of suitable Aircraft.

This has resulted in higher costs of operating the 2012 touring season and also resulted in lower numbers on some departures due to Aircraft size. Some departures have been cancelled due to the short notice to source alternate Aircraft.

The position is being monitored closely by the Directors, and any further variation will be advised.

Yours faithfully,

Geoff Watson
Company Secretary.

