

8 DECEMBER 2020

## ASX RELEASE

### FIRB APPROVAL GIVEN TO PAG FOR INVESTMENT IN REX

PAGAC Regulus Holding Pte Ltd (PAG) has confirmed to Rex that the Foreign Investment Review Board (FIRB) has granted its approval late on 7 December 2020 to acquire an interest in Rex subject to typical conditions.

FIRB approval was sought in relation to a Subscription Agreement entered into by Rex with PAG, details of which were disclosed to ASX on 19 November 2020. Under that agreement Rex will be issuing up to \$150 Million worth of convertible notes to PAG to fund its domestic operations. The notes could be converted to ordinary shares at \$1.50 and PAG could potentially hold up to 47% of Rex's shares if fully converted.

Other regulatory approvals are still needed before the agreement can be completed including the awarding by CASA of the High Capacity Air Operator's Certificate (HCAOC) which is a pre-requisite for Rex to commence domestic operations. Rex has completed a proving flight for CASA on 2 December 2020 and expects the outcome of its application for a HCAOC to be known by 18 December 2020.

The PAG funding transaction is also subject to Rex shareholders' approval at the AGM scheduled for mid-January 2021 for the purposes of the Corporations Act and ASX listing Rules. Detailed drafts of a Notice of Meeting, Explanatory Statement and independent Expert's Report have been lodged for review by ASIC and ASX and will be sent to shareholders and disclosed to ASX once those reviews have been completed and the documents have been finalised.

This announcement is authorised by Mr. Lim Kim Hai, Executive Chairman, Regional Express Holdings Limited.

**Rex** is Australia's largest independent regional and domestic airline operating a fleet of 60 Saab 340 aircraft (pre-COVID) on 1,500 weekly flights to 59 destinations throughout all states in Australia. Rex will begin its domestic services with 6 737-800s in March 2021. In addition to the 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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