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ASX RELEASE

REX RESPONDS TO RECENT NEWS ARTICLE

In response to news articles that Regional Express (Rex) is considering the feasibility of commencing domestic airline operations and following an earlier article regarding Rex comments on the administration process of Virgin Australia, Rex discloses that it has been approached by several parties interested in providing the equity needed for Rex to start domestic operations in Australia. The preliminary estimate of equity required is in the vicinity of \$200 Million dollars and the structure of equity raising is yet to be determined.

The Rex Board is exploring the feasibility of this endeavour and has begun talks with potential equity partners to extend its operations to establish domestic operations, in addition to its regional services. At this juncture the Rex Board believes that with sufficient capital injection, there is a confluence of circumstances which render the start of domestic operations by Rex to be a particularly compelling proposition.

The Board is expected to make a decision on whether or not to proceed within the next eight weeks. Should the Board decide to proceed, the domestic operations are expected to commence on 1 March 2021.

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

Regional Express (Rex) is Australia's largest independent regional airline operating a fleet of 60 Saab 340 aircraft (pre-COVID) on some 1,500 weekly flights to 59 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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