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ASX RELEASE

REX TO PURCHASE NATIONAL JET EXPRESS, REGIONAL SERVICES ARM OF COBHAM AVIATION SERVICES AUSTRALIA

Rex today announced that it has signed a Sale and Purchase Agreement which will result in its subsidiary Rex Freight and Charter Pty Ltd (RFC) acquiring 100% of National Jet Express Pty Ltd (NJE), the regional services arm of Cobham Aviation Services Australia (Cobham).

NJE is a leading provider of Fly-In Fly-Out (FIFO) services in Western Australia and South Australia. In addition, it operates freight services from Sydney to Adelaide, Brisbane, Melbourne and the Gold Coast (Coolangatta), as well as air charter services in Papua New Guinea. Revenue for NJE in the calendar year 2021 was \$142m.

The purchase price for the acquisition will be about \$48m, subject to certain adjustments for working capital and other matters.

Rex's funding will be provided by drawing down an additional \$15 million under its convertible note facility with PAG and from its own cash resources to fund 50% of the purchase price. The remaining 50% of funding will be provided by its joint venture partners, one of whom is Rex's Chairman, who will be funding their 50% share with private funds. They have agreed to convert that debt funding to be issued new shares in NJE to reduce Rex's debt burden, so that ultimately Rex and its joint venture parties will each own 50% of NJE.

Completion of the sale will be subject to regulatory approvals, including FIRB approval. It is envisaged that shareholder approval will not be required.

Commenting on the purchase, Rex's Executive Chairman, Lim Kim Hai said, "FIFO services are expected to experience strong growth in Australia and this acquisition positions the Rex Group to participate in this booming sector."

"With this acquisition, Rex will have a FIFO arm that is simply unparalleled in Australia. NJE has a completely modern fleet comprising eight Bombardier Q400 turboprops and six Embraer E190 jets for FIFO work. Both aircraft types are fuel efficient, have enhanced operational reliability and low carbon emissions when compared with the predominantly 40-year-old Fokker 100s used by the other major FIFO operators."

"I believe that NJE's modern aircraft fleet and its long-term customer relationships overlayed with Rex's proven record of safety, reliability and cost efficiencies would propel NJE to be the premier FIFO operator in Australia. NJE will naturally be the partner of choice for resource companies all over Australia who have been crying out for so long for a FIFO provider that is able to address their triple priorities of minimal impact on the environment, comfort and safety of its staff and reliability of service."

"The joint venture will invest in modern aircraft and technology to enable NJE to expand from its traditional bases of WA and SA and bring our unique brand of FIFO services also to Queensland and Northern Territory."

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 and six Boeing 737-800NG aircraft to 58 destinations throughout all states in Australia. 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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Members of the Rex Group

