



ANNOUNCEMENT

Progressive Update on PNG Air's Restructure & Audited Financials

PNG Air is pleased to announce that since our last market release on 8 November 2023, PNG Air has made further progress in restructuring its external debts with the support and cooperation of its major creditors and shareholders.

As previously advised, the commitment of its major creditors to reducing PNG Air's debts will be given legal effect through a creditors scheme of arrangement (**Scheme**) under Part XVI of the Companies Act 1997 (**Companies Act**).

On Wednesday, 15 November 2023, a first Court hearing in connection with the Scheme took place in Port Moresby at 10.00 am in the National Court before Hartshorn J.

His Honor made all the orders which PNG Air had sought.

The Scheme timetable is now locked in as follows:

8 December 2023 – Shareholders Meeting

11 December 2023 – Creditors Scheme Meeting

15 December 2023 – Second Court Hearing.

This means that if everything goes according to plan the Scheme may be completed now before the end of 2023.

Once the Scheme is approved by the National Court at the second Court hearing, PNG Air will seek legal recognition of the Scheme in the United States.

Completion of the Scheme will effectively repair PNG Air's balance sheet and will provide PNG Air with the capital and the improved financing arrangements with its major creditors necessary for the airline to trade profitably again and to win new business in the very competitive airline services market.

PNG Air's management and staff are looking forward to continuing to serve the flying public in PNG with better service offerings and improved capital equipment.

PNG Air has retained a talented and experienced team of external advisors to assist with the debt restructuring and the Scheme including PwC Australia, Morgan Lewis Stamford LLC and Leahy Lewin Lowing Sullivan Lawyers.

Questions concerning the Scheme may be directed to Michael Sullivan (sullivan@lls.com.pg) or Amira Ward (award@lls.com.pg) at Leahy Lewin Lowing Sullivan Lawyers.

A handwritten signature in black ink, appearing to read "Augustine Mano".

Augustine Mano
Chairman