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MEDIA RELEASE

REX WHOLLY-OWNED SUBSIDIARY PEL-AIR SELECTED AS PREFERRED TENDERER BY AMBULANCE VICTORIA

Rex announced today that wholly-owned subsidiary Pel-Air Aviation Pty Ltd (Pel-Air) has been selected as conditional preferred tenderer for the provision of Fixed Wing Patient Transport Services by the Victorian State Government.

The 10-year contract would start in mid-2011 and entails the supply of fixed-wing air transport to Ambulance Victoria for medical evacuation of patients to and from regional areas. Negotiations are underway with Ambulance Victoria with a contract expected to be executed by September 2009. Until then all details of the proposed contract remain confidential.

Established in 1985, Pel-Air has provided aircraft services for all major airlines and freight companies in Australia including pioneering Qantas International Dedicated Freight services between Australia and New Zealand. For the past 12 years Pel-Air has also been contracted by the RAAF and the RAN to provide target towing services as well as specialist tactical flying for its training missions.

In 2001, Pel-Air commenced jet-operated medical evacuation services and now is the largest such commercial operator in Australia providing medical aerial operations domestically as well as to the South-East Asia and Pacific regions. In conjunction with NRMA Careflight, it has complete medical and air crew teams based permanently in Perth, Darwin, Cairns and Sydney on emergency standby 24 hours a day, 7 days a week.

Pel-Air is a wholly owned subsidiary of Regional Express Holdings Ltd. (Rex) which is a publicly listed company on the Australian Stock Exchange. Rex is Australia's largest independent regional airline operating a fleet of 40 Saab 340 aircraft on more than 1,300 flights weekly to 24 regional destinations and is the biggest regional air services provider in New South Wales, Victoria and South Australia. Besides Pel-Air, the Rex Group also comprises Dubbo-based charter operator Air Link, as well as the Australian Airline Pilot Academy operating from Wagga Wagga.

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