



NORFOLK AIR - MEDIA RELEASE

Exciting times for Norfolk Air

The month of November has been full on at Norfolk Air.

Ewan Wilson and Neville Christian travelled to Hamilton City in New Zealand to launch a series of charter flights to coincide with the Hamilton round of the V8 Supercar series in April 2008.

As a result of this added publicity, hits on the Norfolk Island Government Tourist Bureau website originating from New Zealand doubled.

The process of selecting a replacement aircraft for our current Boeing 737-200 has well and truly commenced.

Norfolk Air must equip itself with the knowledge necessary to consider the various proposals that will be presented to us over the coming months and we were able to take advantage of a generous offer from Airbus Industries to train one of our staff in Airline and Aircraft Fleet planning.

Becky Nobbs is away attending the week-long course in London and she has paid her own return airfare from Australia to London with Airbus Industries covering the course fees, accommodation and meal allowance when she is in London.

The Norfolk Air Call Centre is rapidly becoming a reality. The new Call Centre fit out is nearly complete, staff have been recruited and training commences on 3 December 2007 in both Melbourne and Norfolk Island. The Call Centre will be fully operational by 1 January 2008.

On the airfreight front, 3,000 kgs was uplifted last weekend and we plan to uplift a further 3,000 kgs this weekend. In addition, next Wednesday's Sydney flight has been capped at 70 passengers and all available capacity will be used for freight. This will clear the freight backlog from Sydney.

The airline has performed well in November with passenger numbers 11% above original projections and forward bookings out to June 2008 are very encouraging.

Financial results have been received for September and October 2007 and the airline operating profit before advertising was \$170,000 and \$324,000 respectively. Cash reserves at the end of October stood at \$600,000.

Legislation has been introduced into the Legislative Assembly which would allow Norfolk Air to become a 100% Government owned company. At the time of incorporation, which will occur by February 2008, Norfolk Air will have approximately one million dollars (\$1million) in paid up capital and about \$2.5million dollars in forward ticket sales.