



For Immediate Release to the market

AIRLINES PNG LEASE TO SOLOMON AIRLINES

Airlines of Papua New Guinea Limited (POMSOX: CGA) (**Airlines PNG**) clarifies press reports and states that it is in advanced negotiations for a damp lease arrangement with Solomon Airlines for the operation of a Dash-8 aircraft.

Arrangements for the leasing are expected to be concluded very soon with the aircraft going into immediate service from the Solomon Islands capital of Honiara.

The transaction provides for a new level of collaboration between Papua New Guinea and the Solomon Islands in transportation. The aircraft will remain registered on the Papua New Guinea register and Airlines PNG will provide heavy maintenance for the aircraft in Port Moresby while Solomon Air pilots and line engineers will undertake additional training with Airlines PNG enabling them to operate the aircraft.

The lease deal is for a period of two years with an option to be extended for a further term of two years and it will have a positive incremental effect on Airlines PNG revenue.

Company Secretary
Airlines of Papua New Guinea Ltd

1 December 2009