



**For Immediate Release to the market**

**AIRLINES OF PAPUA NEW GUINEA LIMITED in DEAL WITH AUS-AID**

Airlines of Papua New Guinea Limited (POMSOX: CGA) (**Airlines PNG**) has entered into an arrangement with the Australian International Aid Agency – Ausaid to improve air services in the Kokoda area.

Airlines PNG will commence scheduled weekly services to Manari, Efogi, Kagi and Milei from 10 July 2009. Under the deal which is for an initial term of 12 months, Aus-aid will provide a subsidy of K374,000 per annum to supplement passenger airfares.

Please note the attached press release from the Australian High Commission in Port Moresby.

Company Secretary  
**Airlines of Papua New Guinea Ltd**

25 June 2009



## **AUSTRALIAN HIGH COMMISSION PORT MORESBY**

25 June 2009

For immediate release

### **MEDIA RELEASE**

#### **AUSTRALIA AND AIRLINES PNG GET KOKODA FLIGHTS ON TRACK**

Weekly scheduled flights to four airstrips along the Kokoda Track will have a major impact on the lives of people in Track communities says Head of AusAID in PNG, Bill Costello, following today's signing of an agreement between the Australian Government and Airlines PNG.

Airlines PNG will fly to Manari, Efogi, Kagi, and Milei on a weekly schedule, beginning on 10 July, that will ensure people and goods are able to move in and out of local communities.

The Australian Government is providing K374,000 to subsidise the flights for the first twelve months as one of the initiatives agreed between the PNG and Australian Governments under the Joint Understanding on the Kokoda Track and Owen Stanley Ranges signed at the 2008 Ministerial Forum.

"This is a great outcome for communities along the Track," said Mr Costello.

"One of the greatest challenges facing Track communities is the walking time and the rugged terrain between them and outside services and facilities. These flights mean that people who need to get to hospital, for example, will no longer need to walk.

"It also opens up greater income earning opportunities for people in the Track corridor."

Mr Costello explained that the idea for a subsidised flight program followed extensive consultations with communities, PNG Government agencies and the tourism industry.

Head of Airlines PNG Commercial Operations and Charter, Allen Tyson, said that the nature of PNG's geography means that air transport is the only realistic option for remote communities.

"We are very pleased to be working with the Australian Government on this program and with the subsidy we will be able to offer one-way fares at around K130.

“This is a very affordable fare which will open up air travel to many of the people in those communities.”

Mr Costello said the flight subsidy program was intended to stimulate community and economic development, making it more attractive for the operator to run a regular service along the Track. The ongoing need for a subsidy program, and any further commitment by the Australian Government, will be evaluated after twelve months.

Airlines PNG will initially offer two scheduled flights from Port Moresby on Fridays. One will leave at 8am and fly to Manari and Efogi before returning to Port Moresby by 9.20am.

The other flight will depart Port Moresby at 9.30am and fly to Kagi and Milei and return to Port Moresby by 10.50am.

The flights will use a 19 seat Twin Otter aircraft.

Under the Joint Understanding on the Kokoda Track and Owen Stanley Ranges, the Australian Government has committed \$14.9 million to assist the PNG Government to improve the livelihoods of local communities along the Kokoda Track and to establish effective management arrangements to protect the Track and deliver increasing benefits to local people.

**ENDS**

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