



ANNOUNCEMENT

Progressive Update on PNG Air's Restructure & Audited Financials

PNG Air is pleased to announce that since our last market release in September 2023, PNG Air has continued to make substantial progress in restructuring its external debts with the support and cooperation of its major creditors and shareholders.

The commitment of the 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, 27 September 2023, PNG Air lodged its initial application in connection with the Scheme at the National Court in Port Moresby. Through this application, PNG Air will seek a variety of orders from the Court, including an order that the arrangements which PNG Air has entered into with its major creditors are binding on PNG Air, on the major creditors and on such other persons or classes of persons as the Court may specify.

The first court hearing in connection with the Scheme will take place at 10.00 am on Wednesday, 15 November 2023 at the National Court in Port Moresby before Hartshorn J.

Following the first Court hearing and in accordance with a timetable approved by the Court, a creditors' scheme meeting will be held to vote on the proposed Scheme and a shareholders' meeting will be held to approve the issuing of additional shares to MRDC and Nasfund. At a second Court hearing currently expected to be in early to mid-December 2023, the Court will be updated on the outcome of the creditors' scheme meeting and the shareholders' meeting and the Court will be asked to make final orders giving effect to the Scheme.

PNG Air will also seek legal recognition of the Scheme in the United States.

The release of PNG Air's 2019, 2020 and 2021 audited financial statements continues to be delayed pending completion of the Scheme. It is not possible to finalise those outstanding financial statements or the financial statements for 2022 until the Scheme is completed.

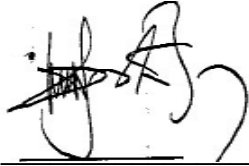
PNG Air's board and management expect the Scheme to be completed by the end of 2023, subject to the timetable set by the Court at the first Court hearing and the availability of the required judge for the second Court hearing.

Once the Scheme is completed, PNG Air's 2019, 2020, 2021 and 2022 audited financial statements will be audited and released to the market accordingly.

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.

ENDS

A handwritten signature in black ink, appearing to read 'Augustine Mano', written over a horizontal line.

Augustine Mano
Chairman

Date of release: 08 November 2023