

4th February 2021

ASX RELEASE

Alliance Aviation Services Limited (“Alliance”) (ASX: AQZ)

Wet Lease Agreement for up to 14 x E190 Aircraft with Qantas Airways Limited

- Alliance to provide capacity using recently acquired Embraer E190 aircraft commencing from mid-2021.
- Range and route economics make the E190 an attractive option in a post COVID-19 aviation market.
- The transaction confirms Alliance’s confidence in deploying the recently acquired E190s.

Alliance today announces it has executed a Wet Lease Agreement with Qantas Airways for the provision of E190 capacity. The Agreement initially provides for three E190 aircraft to commence operations in mid-2021 with options for Qantas to call on an additional eleven aircraft based on market conditions.

The Agreement is for an initial period of three years and the aircraft will be based in Adelaide and Darwin servicing the Adelaide–Alice Springs, Darwin–Alice Springs and Darwin–Adelaide routes. Alliance’s enviable operational footprint enables it to provide services from any major city to the regions.

Scott McMillan, Alliance’s Managing Director, said, “This is an exciting transaction for Alliance and further extends on previous wet leasing arrangements that Alliance has had with Qantas since 2012. This further cements Alliance as the pre-eminent wet lease operator in Australia and the Pacific and confirms Alliance’s view that the circa 100 seat regional jet will be the sweet spot in the global aviation market’s post-COVID-19 recovery”.

Mr McMillan commented, “We look forward to providing Qantas with our renowned high-quality service and operational reliability. It is also pleasing to be able to provide new job opportunities in the Australian aviation landscape, as well as for our existing staff and potentially some Qantas Group staff who would normally be flying internationally.”

Mr McMillan, further stated, “Alliance acquired thirty E190 aircraft with a strategy of deploying a significant number of those aircraft in wet lease operations”.

The transaction is material for Alliance in that it is expected that it will account for in excess of 5% of total revenue once the first three aircraft have been fully deployed.

- Ends -

This announcement has been authorised for release by the Board of Alliance Aviation Services Limited.

About the Alliance Group

Alliance is Australasia's leading provider of contract, charter and allied aviation and maintenance services currently employing in excess of 600 full time staff.

The Company provides essential services to mining, energy, tourism and government sectors and holds IATA's IOSA certification and Flight Safety Foundation "BARS Gold" status, the first such carrier in Australia to be so recognised.

Alliance currently operates a fleet of 24 Fokker F100, 14 Fokker 70LR jet aircraft and five Fokker 50 turboprop aircraft.

In June 2020 Alliance announced the acquisition of 14 E190 jet aircraft together with associated spare parts, spare engines, tooling and a Full Flight Simulator. The first of these aircraft arrived in Brisbane on 29th October 2020 and will enter service in March 2021.

In December 2020 Alliance announced the acquisition of an additional 16 E190 jet aircraft with settlement taking place between December 2020 and November 2021.

Fleet units from both acquisitions will be added to the Alliance operating fleet progressively through 2021 and 2022 providing the company with substantial growth capacity.

Alliance has world leading operational performance, a key attribute sought by its customers.

The Company has operational bases in Brisbane, Townsville, Cairns, Melbourne, Adelaide, Perth, Darwin and Rockhampton and a dedicated engineering base located at Brisbane Airport.

For more information contact:

*Marc Devine
Chief Financial Officer and Company Secretary
Alliance Aviation Services Limited
+61 (7) 3212 1201*